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Reportage on East Asian Economic Grouping

Singapore: Response To Single Markets

BK0503005691 Hong Kong AFP in English 1920 GMT 4 Mar 91

[Text] Nusa Dua Beach, Indonesia, March 4 (AFP)—Singapore on Monday urged the Association of South East Asian Nations (ASEAN) to respond to the creation of single markets in Europe and North America by playing "within a bigger team."

Prime Minister Goh Chok Tong told an international conference that ASEAN was "naturally apprehensive" about single markets in the two regions, which are both important export markets and sources of investments.

To respond, "ASEAN should be more competitive and insist on playing on a level field," Mr. Goh said in a keynote address at the three-day seminar here in Bali on the future of ASEAN.

"ASEAN may have to play within a bigger team... By linking up with other economies in the Asia Pacific (region)," he said, referring to the Asia Pacific Economic Cooperation (APEC) forum and a Malaysian proposal for an East Asian Economic Grouping.

He said Thailand, Malaysia and Indonesia could find their industrial take-off "aborted," while Singapore "might find its engines stalling in mid-air" if they failed to act.

The other two ASEAN members are the Philippines and Brunei.

The Singaporean Prime Minister, who assumed his post in November, also called for a change in ASEAN cooperation schemes, from one that excludes outside competition to those which promote individual as well as collective competitiveness.

He said the ASEAN Preferential Tariff Arrangement had produced little real benefits, while ASEAN joint industrial projects had been abandoned except for a fertilizer plant in Indonesia.

"I believe we are in a new phase of outward looking, competitive cooperation," Mr. Goh said.

As an example, he cited joint industrial cooperation and development being promoted between Singapore, the Indonesian industrial island of Batam and the southern Malaysian state of Johore.

Under this scheme, he said, the governments would simply provide the umbrella and facilities for business executives to decide where they should locate their investments on the basis of comparative advantages offered by each of the three areas.

Free Trade Discussed in Cheju Meeting

SK0503041491 Seoul YONHAP in English 0256 GMT 5 Mar 91

[Text] Cheju, South Korea, March 5 (YONHAP)—October's Asia-Pacific Economic Cooperation (APEC) meeting in Seoul is expected to put more emphasis on addressing trade liberalization in the region.

Officials from 12 APEC member nations are meeting on this honeymoon island off the southern tip of South Korea to set the agenda for the main ministerial meeting, scheduled for Seoul in October.

Chief Korean delegate Yi Si-yong, chairman of the meeting, said in his opening address that the world economy had come to a turning point with the end of the Gulf war and the delay of the Uruguay Round global trade talks.

Trade liberalization in the Asia-Pacific region should be discussed more actively than ever before, Yi told the 120 delegates and observers.

A major concern among APEC nations is the increasing number of economic blocs, including the European Community, and the nations are calling for a joint countermeasure, officials said.

Another issue is membership for China, Hong Kong and Taiwan.

Yi reported on the progress of this issue, saying that all three nations sought to enter APEC but agreement was still to be reached on their qualifications and official names.

The date of the Seoul meeting and the agenda will be finalized on Wednesday.

Commentary on EAEG

BK0503100491 Kuala Lumpur International Service in English 0800 GMT 5 Mar 91

[Station Commentary]

[Text] Prime Minister Dr. Mahathir Mohamed has again assured skeptical countries the East Asia Economic Grouping or EAEG concept is intended to benefit world trade rather than stifle it.

It is chiefly concerned over the promotion and maintenance of free world trade. The EAEG will be consistent with and compatible to the rules and functions of the General Agreement on Tariffs and Trade, GATT, and the Asia-Pacific Economic Cooperation, APEC.

The prime minister, who was the initial mover of the EAEG proposal, was sincere and outspoken as it is his style at all international gatherings, very clearly spelt out the aims and (?objectives) behind the move as he addressed the conference on the ASEAN and the world economy: challenges of change, at Den Pasar in Bali, Indonesia yesterday.

Prior to the conference Dr. Mahathir held discussions with President Suharto in Jakarta. The talks proved to be fruitful, in that the Indonesian leader expressed his full support for the EAEG concept. His only word of caution was that the proposed grouping should not design closed trading bloc, or go against the objective of ASEAN, and the framework of understanding. It should not be allowed to duplicate the ASEAN role which may render the already well established and successful body as a meaningless entity.

With President Suharto's exclusive support and all six ASEAN countries have given their whole hearted approval for the EAEG concept, it would therefore be an ASEAN initiative as they all consider to move to be meaningful and worthwhile. It will now be up to them to make efforts to persuade other East Asian countries to join the grouping for the equal benefit of all countries in the region.

Chinese and Vietnamese leaders, on their recent visit to Malaysia indicated their receptiveness to the EAEG idea. More countries are likely to be the same. Where Japan is concerned, it is apparent that it she is moving with caution. Being one of the world's industrial superpowers, Japan's role in the proposed EAEG will be both vital and significant. Her voice will have a strong impact at world trade negotiations. She can also say that there are crucial links between the north and the south. There was an encouraging and positive note when Japan voiced the opinion and concern of Southeast Asian countries. During the summit of the heads of government of industrialized countries, or the Group of Seven, Japan's entry into the EAEG when it is established, can hope for the limit to grow in it, will be a most welcomed development.

The proposed EAEG is aimed at defending the common interests of member countries when they face difficulties in dealing with protectionist groups individually. It can be a forum to promote the products and commodities of member countries on a world wide scale. In other words, it will not restrict themselves to only trade relations among the EAEG nations but will allow for bilateral relations with various members and many countries outside the grouping.

ASEAN countries have shown their determination to pursue the EAEG concept with that vigour (?safely) through the years.

Japanese Membership in Trade Bloc

BK0503062991 Kuala Lumpur BERNAMA in English 0442 GMT 5 Mar 91

[Text] Denpasar, March 5 (OANA-BERNAMA)—Japan's membership in the proposed East Asia economic grouping (EAEG) is unlikely to hurt the grouping's credibility, Malaysian Prime Minister Dr Mahathir Mohamed said it was the grouping as a whole that would wield leverage in its dealings and not individuel members, once EAEG was formed.

If Japan indeed joined the grouping, it was the EAEG which had the leverage, he added in reply to questions posed after he delivered a keynote address at a conference here Monday night.

A Swiss delegate, quoting a survey carried out in his country which considered Japan as the worst trade offender, asked if the inclusion of Japan would hurt the credibility of the grouping.

Dr Mahathir's swift and prompt replies during the question-answer session at the international conference on ASEAN and world economy won loud applause. More than 1,000 participants attended the three-day meeting, scheduled to end later Tuesday.

In his address entitled "From Confrontation to Cooperation: ASEAN's Agenda for a Productive Peace", Dr Mahathir dealt on a wide range of economic issues, including the proposed EAEG and ASEAN's role in facing challenges.

During the question-answer session, he also replied to questions on protectionism and Malaysia's privatisation policy, Islamic political parties, and banking licences.

APEC Group Charts Oct Meeting Agenda

SK0603025891 Seoul YONHAP in English 0057 GMT 6 Mar 91

[Text] Cheju, South Korea, March 6 (OANA-YONHAP)—Economic cooperation among Asia-Pacific countries is very important and the ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) in October here will set its course, chief South Korean delegate Yi Si-yong said Tuesday.

Yi, chairman of the 12-nation APEC preparation talks, said the group needs to draw the European Community into free trade.

"APEC should advocate the principle of open trade, not protectionism, to bring the EC into active interaction with other regions," Yi told a news conference.

The two-day session on this island Monday and Tuesday among senior officials from APEC-member countries set the agenda for the main forum in October.

The Seoul meeting here will hear reports on APEC's seven major projects, and new projects such as transportation, tourism and fisheries will be discussed.

"The Asia-Pacific region is responsible for 50 percent of global production and claims 36 percent of world trade volume," Yi said. "Economic cooperation among nations in this part of the world is very important. The ministerial meeting in Seoul will serve as an opportunity for deciding the future direction of APEC."

One of the major issues at the Seoul meeting will be the entry of China, Hong Kong and Taiwan, and Yi said he was optimistic.

"Negotiations were held recently with officials in all three countries, and further talks are scheduled in Seoul soon," he said .

Asked about his view on North Korea's participation in APEC, Yi said there will be an invitation for Pyongyang to join the regional body at an appropriate time, after the group gains a stronghold.

APEC Countries Agree To Trade Information

SK0603053291 Seoul YONHAP in English 0454 GMT 6 Mar 91

[Text] Cheju, South Korea, March 6 (YONHAP)—Twelve countries in the Asia-Pacific zone agreed Wednesday to set up a regional trade information computer network this year to exchange export and import statistics.

The network will be based in Singapore and all preparations will be completed by October, when the Asia-Pacific Economic Cooperation (APEC) ministerial conference meets in Seoul.

At the close of an APEC senior officials meeting on Cheju Island, it was agreed that the success of the Uruguay Round trade talks would have a significant impact on trade liberalization in the region. It was decided to have regular contacts between trade officials at GATT Headquarters in Geneva to reach an early settlement.

During the two-day meeting, three sectors (tourism, traffic and fisheries) were added to APEC's seven cooperation projects, which include trade and investment data analysis, trade promotion and investment and technology transfer expansion.

Participants were the United States, Japan, Australia, New Zealand and the six members of the Association of Southeast Asian Nations in addition to South Korea.

A third meeting is due in Seoul before the APEC conference to review preparations and agenda details.

Seminar on ASEAN, World Economy Ends 5 Mar

BK0603022491 Jakarta Domestic Service in Indonesian 0000 GMT 6 Mar 91

[Text] The three-day seminar on ASEAN and the world economy ended at Nusa Dua, Bali yesterday [words indistinct]. In a report at the closing of the seminar, Yusuf Wanandi, chairman of the seminar's organizing committee and head of the Advisory Board of the Center for Strategic and International Studies said that the seminar, which was attended by about 1,200 delegates, was successful qualitatively and quantitively. The majority of the delegates came from ASEAN countries, while the rest were from the United States, Japan, Australia, and New Zealand.

ASEAN Leaders Agree to Summit Meeting

BK0503012091 Jakarta Domestic Service in Indonesian 0000 GMT 5 Mar 91

[Text] Indonesia, Malaysia, Singapore, and Brunei Darussalam have agreed to assign their respective foreign ministers to find the best time for convening an ASEAN summit meeting. Minister and State Secretary Murdiono disclosed this to newsmen at Nusa Dua, Bali, last night after President Suharto, Malaysian Prime Minister Mahathir Mohamed, Singapore Prime Minister Goh Chok Tong, and Sultan Hassanal Bolkiah of Brunei Darussalam exchanged views on regional issues. He said the Prime Minister of Singapore was very flexible about the convening of the ASEAN summit. Prime Minister Mahathir Mohamed hoped ASEAN heads of government would meet more frequently without any formality or agenda.

Answering questions on a possible dispatch of Japanese troops to the Gulf under the UN flag, Minister Murdiono said it is the right of each country to send or not to send troops abroad. Thus, it is Japan's right to send its troops to serve under the United Nations. Minister Murdiono again reiterated that the Bali meeting of four ASEAN heads of government was neither an informal summit meeting nor a mini summit.

Mahathir on Growth Triangle; Return From Batam

BK0503142291 Kuala Lumpur Domestic Service in English 1330 GMT 5 Mar 91

[Text] Malaysia is looking into the possibility of signing a pact with Singapore to jointly develop Johor as part of the economic growth triangle concept.

Datuk Sri Dr. Mahathir Mohamed says the memorandum of understanding, MOU, is being looked into by the Federal Government before making any decision.

The prime minister, who made a one-day visit to Batam Island today, was commenting on his Singaporean counterpart Goh Chok Tong's proposal that both countries sign an MOU to jointly develop Johor.

Mr. Goh said if the two countries signed the agreement, then two sides of the triangle would be completed. Singapore has already concluded a similar agreement with Indonesia to jointly develop the Riau province. Mr. Goh said the third side of the triangle would be completed if Malaysia could later work out an understanding with Indonesia.

Speaking to reporters before leaving for Kuala Lumpur, Datuk Sri Dr. Mahathir said Malaysia welcomes joint efforts to develop the growth triangle and Mr. Goh's proposal would be carefully studied.

The prime minister has returned to Kuala Lumpur.

Japan

Nakayama To Visit U.S., Meet Baker 21-24 Mar

OW0703130191 Tokyo KYODO in English 1246 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—Foreign Minister Taro Nakayama plans to visit the United States between March 21 and 24 for talks with U.S. Secretary of State James Baker, Foreign Ministry sources said Thursday.

Nakayama and Baker will discuss a political framework for stability in the postwar Persian Gulf area, and the reconstruction of war-damaged nations, as well as the schedule for a visit to Japan by President George Bush, the sources said.

Bush was originally scheduled to visit Tokyo in March before a visit by Soviet President Mikhail Gorbachev in mid-April, but postponed the trip because of the Gulf crisis.

U.S. Proposes SII Follow-Up Talks in April

OW0703073491 Tokyo KYODO in English 0641 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—The United States has asked Japan to hold an informal meeting in Washington in early April to prepare a progress report at their annual Structural Impediments Initiative (SII) meeting in May, Foreign Ministry sources said Thursday.

Japan and the U.S. remained wide apart in two rounds of previous talks on pending issues aimed at removing trade barriers, the sources said.

Japan is taking a cautious stance toward the U.S. proposal while it is busy preparing for a visit to Tokyo by Soviet President Mikhail Gorbachev in early April and working out its contributions for reconstruction in the Middle East. But Tokyo is expected to bow to strong pressure from Washington and comply with the U.S. overture, the sources said.

The major issues at such talks would include a heavier penalty on violations of fair trade regulations by Japanese corporations.

Washington was strongly displeased with Japan's offer at the second round of follow-up talks in Tokyo in January to raise the penalty to 6 percent of sales recorded, during a period when an illegal cartel formed by Japanese corporations was in force.

The United States demanded a 10 percent penalty or criminal charges against violators. It also demanded that Japan enact legislation aimed at eliminating exclusive trade practices.

Under an agreement reached between the two countries late last June, both sides agreed to hold talks in May every year to present progress reports on elimination of structural barriers.

UK's Hurd Asks for Share of Persian Gulf Aid

OW0703132391 Tokyo KYODO in English 1311 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—British Foreign Secretary Douglas Hurd on Thursday asked for a share of the Japanese cash aid approved by the Diet on Wednesday to support the allied countries in the Persian Gulf war, Foreign Ministry officials said.

The remarks were made in Hurd's 15-minute telephone call to Japanese Foreign Minister Taro Nakayama on Thursday night.

Hurd told Nakayama that London was grateful for the 50 million dollars it had previously received from Tokyo to help pay for British troops joining the anti-Iraq allies.

The initial payment was taken from 2 billion dollars in cash aid to the allies paid by Japan, which did not send troops to the Gulf war. Officials have said the bulk of the money would go to the United States.

Hurd was quoted as conveying British Prime Minister John Major's message to Japanese Prime Minister Toshiki Kaifu that British troops had made an important contribution in the Gulf war, and asked for Japan's more assistance as much as possible [as received].

Japan's Diet on Wednesday passed a bill to give another 9 billion dollars of cash aid, pledged early this year, to the anti-Iraq coalition.

Nakayama said Japan highly valued the British contribution to the Gulf war and expressed his condolences for the country's victims in the war.

Nakayama noted he would speed up procedures to pay the cash aid which will go to the Gulf peace fund, managed by officials of Japan and the six-nation Gulf Cooperation Council (GCC) nations. He added the body will decide on specific usage.

The foreign ministers' telephone talk came after Major on Wednesday proposed a telephone conversation with Kaifu but it was ruled out by Major's busy schedules in the Middle East, Japanese officials said.

Hurd also briefed Nakayama of the main results of Major's Tuesday meeting with Soviet President Mikhail Gorbachev in Moscow, including an agreement that the introduction of mass killing weapons into the Middle East should be banned.

Hurd, who requested a visit by Nakayama to Britain and other European nations soon, also reported Gorbachev told Major he is looking forward to visiting Japan in April. Gorbachev is set to visit Japan April 16-19.

Airlift Funds May Go to Gulf Reconstruction

OW0703081991 Tokyo KYODO in English 0758 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—The end of the war in the Persian Gulf and a dramatic drop in the number of refugees there has left the administrators of private donations for refugee transport with no way to use the money, officials of the International Organization for Migration (IOM) said Thursday.

The officials of the IOM's Tokyo office said money from volunteer organizations around Japan made possible the charter of 15 flights carrying 1,582 refugees from five nations at a cost of 140 million yen.

Beginning with a group of lawyers in Fukuyama, Hiroshima Prefecture, who gave money to charter a Royal Jordan Airlines plane carrying 143 Yemenis from Amman to Cairo, a total of six Japanese organizations contributed to the transport of refugees.

These and other international efforts resulted in the movement of about 24,000 refugees from the war zone, leaving virtually no more people waiting to be transported. But donations continue to flood in and it is estimated the total raised could reach several hundred million yen.

The Committee for Assisting Gulf Refugees, a Catholic organization based in Tokyo, has only disbursed 85 million of a total 270 million yen collected and is now considering diverting the money raised for use in postwar reconstruction. It has already sent two of its members to the Middle East to survey needs in the region.

A representative of a Nagasaki volunteer organization called "The Make a Plane Fly Society" said the movement, which originally began in opposition to the Japanese Government's proposal to dispatch Air Self-Defense Forces (ASDF) planes to the Middle East to transport the refugees, was a success. But it's not so easy to divert the money originally gathered after saying it was for flying planes," the spokesman said.

In February, the government used a Cabinet ordinance to allow the dispatch of several ASDF C-130 transport aircraft to shuttle between Egypt and Syria or Jordan to evacuate refugees. But the planes never left Japan after opposition members in the Diet indicated they would not support such a move and the government made the dispatch of the planes contingent on a formal request from an international organization. No such request was ever received.

Trade Firms Prepare To Aid Gulf Reconstruction

OW0703130891 Tokyo KYODO in English 1240 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—Two major Japanese trading firms, Mitsubishi Corp. and C. Itoh and Co., are preparing to enter joint ventures with U.S. and European companies to participate in the postwar reconstruction of Iraq and Kuwait.

Mitsubishi said it will form an expert group next week to handle negotiations on reconstruction projects.

With the inauguration of the group, the company will disband the Gulf crisis headquarters it established after Iraq invaded Kuwait last August. At the same time, the company said, its subsidiary in Bahrain will increase its staff to prepare to reopen its operation bases in Baghdad and Kuwait City.

Company officials stationed in the Middle East will return to their posts by the middle of March, except for those assigned to Iraq, Kuwait, and Jordan.

Mitsubishi said it has received an inquiry from the U.S. engineering firm Bechtel Inc. on procuring materials for Kuwait's reconstruction. The company said a joint venture may be formed, if necessary, to repair industrial facilities damaged in the Persian Gulf war and to provide advanced Japanese technology for the projects.

A company executive said Mitsubishi will take a passive approach to reconstruction contracts in consideration for countries which participated in the U.S.-led multinational forces that defeated Iraq.

C. Itoh said it plans similar steps to strengthen its readiness to participate in reconstruction projects in the Middle East.

Suspension of Business With Israel Strains Ties

OW0703093991 Tokyo KYODO in English 0853 GMT 7 Mar 91

[Text] Tel Aviv, March 7 KYODO—Japan's unilateral suspension of business with Israel during the Persian Gulf war has put new strains on the two countries' political ties, sources here said Thursday.

Israeli complaints have been mounting since Japanese banks stopped doing business with the Jewish state after the outbreak of the war in mid-January. The move virtually paralyzed two-way trade, which had doubled over the past five years to an estimated 1.42 billion dollars last year.

Japan is one of the most important buyers of Israeli products. Last year, Japan imported 870 million dollars worth of Israeli products, mostly diamonds, while its exports to the country totaled 550 million dollars.

According to Elchanan S. Harel, chairman of the Israel-Japan Friendship Society and Chamber of Commerce, trade has begun returning to normal over the past two weeks. He complained, however, that Sumitomo Bank, Fuji Bank, and other commercial banks have yet to lift their suspension of business with Israel other than money transfer services.

Israelis have long been critical of what they say is the refusal of major Japanese corporations to do business with Israel because of an Arab boycott of companies with links to the Jewish state.

The International Jewish Congress, based in New York, has proposed that the U.S. close its markets to Japanese companies such as Toyota Motor Corp., Nissan Motor Co., and NEC Corp. if they continue refusing to do business directly with Israel.

Japanese Government policy is now coming in for criticism as well because of Tokyo's failure to include Israel among the countries eligible for Gulf war-related aid.

The Japanese attitude stands in sharp contrast to that of France, Germany, and other European Community (EC) member countries. They have offered to lend a helpful hand to Israel, which suffered repeated Iraqi Scud missile attacks during the war.

The Israeli daily MA'ARIV carried an article in late February unusually critical of Japanese policy, saying Japan is friendly only when it benefits Japan itself. Japan, which has generally followed a pro-Arab foreign policy, has never given economic assistance to Israel.

Komeito Opposes SDF Role in Peacekeeping

OW0703144591 Tokyo KYODO in English 1427 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—Komeito, saying that any Japanese force set up to take part in U.N. peacekeeping operations should be totally separate from the Self-Defense Forces (SDF), on Thursday confirmed that it would oppose any plan to include active and reserve SDF members in such a force, party officials said. Japan's second largest opposition party would, however, accept retired SDF officers' participation in such a force, the officials said.

The government will present a basic proposal on the issue Friday to the ruling Liberal Democratic Party (LDP) for discussion before it is submitted to the Diet. The government is expected to propose including active service members temporarily on leave, or on loan to other government offices in any "peacekeeping cooperation force." Komeito believes this would violate an agreement reached last November among it, the LDP, and the Democratic Socialist Party (DSP), the officials said.

The three parties agreed then that Japan should set up an organization separate from the SDF to provide personnel to U.N. peacekeeping operations.

Komeito leaders, including Chairman Koshiro Ishida and Secretary General Yuichi Ichikawa, also agreed Thursday that the Japanese role in armed U.N. peacekeeping forces should be restricted to a nonmilitary contribution, such as financial assistance. Neither the LDP nor the DSP have suggested that Japan should join armed peacekeeping forces.

As part of Japan's contribution to nonmilitary operations such as ceasefire surveillance, however, the two parties insist that SDF personnel must take part if Japan is to make an effective contribution.

A bill allowing active SDF personnel to take part in U.N. peacekeeping operations would require the approval of both the House of Representatives and the House of Councillors. While the LDP controls the House of Representatives, the opposition parties have a combined majority in the House of Councillors. Komeito holds the balance of power in the latter chamber, making its support essential.

Komeito urged the government and the LDP to ask the United Nations to accept retired SDF personnel for ceasefire surveillance and other U.N. peacekeeping operations, saying the government should explain to the U.N. that the war-renouncing Japanese Constitution prohibits active SDF personnel from being dispatched overseas.

Government and LDP officials said, however, that the U.N. is unlikely to allow retired service members or civilians to take part in peacekeeping operations.

LDP's Ozawa To Begin Middle East Tour 9 Mar

OW0703123791 Tokyo KYODO in English 1157 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—Ichiro Ozawa, secretary general of the ruling Liberal Democratic Party [LDP], plans to start a tour of the Middle East Saturday to talk with Arab leaders about Japan's efforts to help restore peace and stability in the post-war Persian Gulf, party officials said Thursday.

Ozawa is to visit Egypt, Syria, Saudi Arabia, and Kuwait during the six-day tour.

The officials said Ozawa is arranging the tour with officials of the four Middle East nations.

Envoys from those countries met Ozawa Wednesday and asked him to make the visit.

Government Lifts Travel Advisory on Egypt

OW0703103191 Tokyo KYODO in English 0900 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—The government Thursday withdrew a travel advisory to Egypt because the Persian Gulf war has ended, officials at the Foreign Ministry announced.

The advisory was issued shortly after the anti-Iraq allies began air raids on Iraq in January. Egypt was one of the allied nations.

The officials said museums in Cairo and other Egyptian sightseeing spots were reopened for the public Wednesday.

The government Tuesday lifted travel restrictions to several Middle East nations except Egypt, Iran, Libya, and other nations, in response to the Gulf war ceasefire.

DPRK Normalization Talks To Resume 11 March

OW0703070491 Tokyo KYODO in English 0645 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—A North Korean delegation will arrive in Tokyo on Sunday for a second round of talks on normalization of relations between North Korea and Japan, officials of the Foreign Ministry said Thursday.

The talks will be held Monday [11 March] and Tuesday, and the delegation, led by chief negotiator Chon In-chol, is due to stay in Japan until Saturday, the officials said.

The two nations held the first round of official negotiations on establishing diplomatic relations January 30 and 31 in Pyongyang.

The North Korean delegation is scheduled to meet with Foreign Minister Taro Nakayama sometime during their stay, the officials added.

Ozawa Receives Gorbachev Invitation To Visit

OW0603140391 Tokyo KYODO in English 1353 GMT 6 Mar 91

[Text] Tokyo, March 6 KYODO—A visiting Soviet industrialist met Liberal Democratic Party Secretary General Ichiro Ozawa on Wednesday and asked him to visit Moscow for talks with Soviet President Mikhail Gorbachev in March, party officials said.

Arkadiy Voliski, chairman of a Soviet industrial and scientific body, conveyed a message from Gorbachev to Ozawa urging him to visit the country.

Ozawa had planned to go to Moscow last may but cancelled because of the political situation in the Soviet Union, the officials said.

Ozawa hopes to visit Moscow around March 20 if he gets an assurance that Gorbachev will present a drastic proposal on the return of the four Soviet-occupied islands off Hokkaido when he visits Japan in April, they said.

Gorbachev will be the first Soviet leader ever to visit Japan.

Agreement on 1991 USSR Salmon Quotas 'Likely'

OW0703101091 Tokyo KYODO in English 0929 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—Japan and the Soviet Union are likely to agree on their 1991 salmon catch quotas in the Northwestern Pacific by the end of this week, Shigeru Motai, vice minister of Agriculture, Forestry, and Fisheries said Thursday.

Speaking at a regular press conference, Motai said he expects the bilateral talks, which started February 25 in Moscow, might be concluded within this week.

According to ministry sources, the negotiations have proved difficult as in past years, as the Soviet side takes a "tough stance." The Soviets have said they will ban salmon fishing completely ininternational waters from 1992 to protect salmon resources originating in the Soviet Union. They argued that Japan's salmon catch quota this year should be cut to 6,000 tons compared with 11,000 tons last year.

Negotiators on both sides, however, are eager to conclude the talks early because Soviet President Mikhail Gorbachev is scheduled to visit Tokyo in April, they said.

Keidanren Head Warning on Soviet Baltic Policy

OW0603123691 Tokyo KYODO in English 1213 GMT 6 Mar 91

[Text] Nagoya, March 6 KYODO—The chairman of Japan's most powerful business lobby warned Wednesday that the business community will take a tough stance on economic support to the Soviet Union if the Kremlin continues its hardline policy toward the Baltic republics.

If Soviet President Mikhail Gorbachev continues his suppression of pro-independence Baltic republics, Japan's business circles will be hard on economic relations with the Soviet Union when Gorbachev visits Japan in April, Gaishi Hiraiwa said.

The head of the Federation of Economic Organizations, known as Keidanren, told a press conference there has been a growing view in business circles until recently that Japan should provide economic aid to the Soviet Union before resolving a longstanding territorial dispute between the two nations.

But Hiraiwa said the mood has been changing since Soviet military action in Lithuania and Latvia earlier this year, citing a growing inclination toward Japan's policy of linking economic matters with a longstanding territorial dispute between the two countries.

"We cannot help but conclude that Soviet reforms are moving in the wrong direction right now. Given the present situation, we have no choice but to return to the principle," Hiraiwa said.

The dispute over four Soviet-held islands off Japan's northern main island of Hokkaido has been a major stumbling block in improving bilateral relations, and Tokyo maintains a linkage between economic aid and a solution to the territorial issue.

On the domestic economy, Hiraiwa said the Bank of Japan should maintain the current tight monetary policy for a while because prices remain on an upward trend. However, he did voice optimism over the future economic outlook.

"Even if the economy deteriorates, it would be short and relatively mild. I'm optimistic," he said.

Further Reportage on Tokyo Gubernatorial Election

Isomora Announces Platform

OW0603123391 Tokyo KYODO in English 1204 GMT 6 Mar 91

[Text] Tokyo, March 6 KYODO—Tokyo gubernatorial election candidate Hisanori Isomura on Wednesday announced a campaign policy platform directed at voters in metropolitan Tokyo's expanding western suburbs and the wallets of average wage earners.

Isomura, a former Japan Broadcasting Corp.(NHK) anchorman, said at a press conference that his most important aim after being elected as governor of Tokyo will be tax cuts for residents. He said Tokyo's finances are now healthy and it is time to begin introducing measures such as tax reductions.

Isomura also said he wants to continue a campaign of cost-cutting reforms in Tokyo's administration as part of measures to cut its overall expenses.

He said surveys conducted in areas of metropolitan Tokyo where there is known support for incumbent Gov. Shunichi Suzuki indicate that a majority of residents believe the present administration is spending too much of their money.

Isomura said he also hopes to incorporate all telephone users in metropolitan Tokyo within the 03 area code. Residents outside the 23 wards of Tokyo proper do not have the 03 area code, which Isomura said disadvantages those businesses hoping to identify with Tokyo.

Isomura also said he will push for an improved transport system in the Tama region of Tokyo, a rapidly expanding suburb housing large numbers of commuters.

His main rival in the election campaign, Suzuki, has his home electorate in Tama, on the western outskirts of Tokyo.

"I visited Tama last week and watched the people coming back late at night at the station," Isomura said. "They had such tired faces and yet they have to form a long queue just to catch a taxi at the end of a long day and those taxis were coming so infrequently." "Something has to be done about the transport system there," he said.

Isomura also vowed to lower the cost of housing in Tokyo. He said a plan proposed by the Suzuki administration to develop harbor side areas should be revised, and the amount of residential space should be increased.

He said central and prefectural government housing corporations should be used to provide 500,000 more apartments in metropolitan Tokyo by implementing measures like installing living quarters above shopping areas.

Isomura has the backing of the Democratic Socialist Party (DSP) and the Liberal Democratic Party (LDP) at the national headquarters level, as well as Komeito. Suzuki is supported by the Tokyo chapters of the LDP and the DSP.

Other participants in the election are Mitsunori Ohara, who is the Social Democratic Party nominee, Makiko Hamada, a Harvard University research fellow and wife of an LDP politician, Antonio Inoki, a professional wrestler who represents the Sports Peace Party in the House of Councillors, and Shigeo Hatada, an academic backed by the Japanese Communist Party.

Inoki Proposes Open Debate

OW0603133591 Tokyo KYODO in English 1318 GMT 6 Mar 91

[Text] Tokyo, March 6 KYODO—Antonio Inoki, a member of the House of Councillors who has said he will run for Tokyo's gubernatorial election in April, proposed to his rivals Wednesday that they hold an open dabate.

Inoki, a pro wrestler, said he hopes to hold such debate next week with incumbent Gov. Shunichi Suzuki and former Japan Broadcasting Corp. (NHK) anchorman Hisanori Isomura.

He said he will also welcome the participation of candidates of the Social Democratic Party (SDP) and the Japanese Communist Party (JCP).

The SDP decided to field Mitsunori Ohara, a Chuo University professor, for the gubernatorial election April 7, and JCP's candidate is Shigeo Hatada, an international politics scholar.

Isomura is supported by the Liberal Democratic Party (LDP) and the Democratic Socialist Party (DSP) at the national headquarters level, as well as by the Buddhist-backed Komeito.

Suzuki is also running, seeking reelection for a fourth four-year term, backed by the Tokyo chapters of the LDP and the DSP.

Ohara Outlines Platform

OW0603141091 Tokyo KYODO in English 1349 GMT 6 Mar 91

[Text] Tokyo, March 6 KYODO—Mitsunori Ohara, a political scientist in local government, proclaimed his candidacy Wednesday for April's Tokyo gubernatorial election as a Social Democratic Party (SDP) candidate saying he wants Tokyo residents to take back power from the Liberal Democratic Party (LDP)-led administration.

Ohara outlined his election platform in a meeting with reporters at the SDP Headquarters after he received a certificate of the party's candidacy from SDP Chairwoman Takako Doi.

A professor at Chuo University, Ohara, 64, is an authority on municipal and local politics. He served as one of the leading intellectuals behind the administration of the late Tokyo Gov. Ryokichi Minobe in the 1970s.

Ohara accused incumbent Gov. Shunichi Suzuki of governing Tokyo in a bureaucratic manner, saying Suzuki has ignored the independent character of the role, and has relied too much on LDP support in his 12-year rule.

Ohara said he will review more than 50 large Tokyo development projects, including the redevelopment of the Tokyo Bay, which have been planned by the Suzuki administration.

A native of Fukushima Prefecture, Ohara said he will rebuild tokyo to enable metropolitan residents to take part in politics in the villages, cities, and wards in Tokyo.

He said Tokyo should be changed from a financial center to a welfare-oriented, international city where all citizens will be able to live a happy life together.

Ohara will be confronting Suzuki, who is seeking a fourth four-year term, and at least four other candidates.

Suzuki, 80, is backed by the Tokyo chapters of the LDP and the Democratic Socialist Party (DSP).

The four other people who have declared their candidacy are former Japan Broadcasting Corp. (NHK) anchorman Hisanori Isomura, who is backed by the national headquarters of the DSP and the LDP, as well as by Komeito, Makiko Hamada, a research fellow at Harvard University and wife of an LDP legislator, Antonio Inoki, a pro wrestler who represents the Sports Peace Party in the House of Councillors, and Shigeo Hatada, an international politics scholar backed by the Japanese Communist Party.

Arabian Oil To Resume Production in May

OW0703104391 Tokyo KYODO in English 0958 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—Arabian Oil Co., Japan's largest oil producer, said Thursday it will be able to resume production at its oil facility in Khafji near the border between Saudi Arabia and Kuwait in the middle of May. The company had suspended production at the facility since the outbreak of the Persian Gulf war in mid-January.

Keiichi Konaga, vice president of the Tokyo-based company, told a news conference the company asked the Saudi Arabian Government to investigate the safety of possible operations at the company's oil field in Khafji earlier this week.

One of the facility's oil tanks was damaged in a rocket attack by Iraqi forces on January 17 but no damage was caused to the production facility, Konaga said. He said it still will take some time to clear the facility of unexploded bombs and mines laid by Iraqi forces.

Konaga said financial losses caused by the war could be recovered in the latter half of the current fiscal year and a decrease in the company's pretax profit for the six-month period would amount to about 20-30 percent, compared with the previous period. He said the company will continue to seek oil supplies from Saudi Arabia's state-run oil company even after production at Arabia Oil Co.'s Khafji facility is resumed.

The Khafji plant employed about 2,000 workers, including about 120 Japanese people, and produced about 250,000 barrels of crude oil daily before production was suspended.

The Japanese employees, who had been called home during the war, will return to work after the safety of operations is confirmed, he said.

MITI Not To Allow Oil Refinery Expansion

OW0703110391 Tokyo KYODO in English 1034 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—A top-ranking official of the Ministry of International Trade and Industry (MITI) denied Thursday that the ministry will soon allow Japanese oil refineries to expand their facilities for primary processing of oil.

Yukiharu Kodama, vice minister of International Trade and Industry, told a press conference that the ministry cannot make a sudden turn of direction after many years of ordering the firms to downsize.

"We should take into consideration several factors such as the long-term supply-demand outlook in the Asian region and the impact of consuming oil on the environment," he said.

His remarks came in response to a newspaper report that MITI planned to allow oil refiners to boost their primary oil processing capacity for the first time in 18 years.

"We have been suffering from overcapacity for a long time. We have no intention of changing direction abruptly," he said.

New Joint Venture With Indonesian Oil Company

OW0703115091 Tokyo KYODO in English 1057 GMT 7 Mar 91

[Text] Jakarta, March 7 KYODO—The Indonesian state oil company, Pertamina, has entered a joint venture with

C. Itoh and Co. and British Petroleum Co. PLC to build an oil refinery, Pertamina officials said Thursday.

The new refinery, Exor-3, will be built in Tanjung Uban, on Bintan Island in western Indonesia, the officials said in a statement. It is expected to start operating by the end of 1994.

The refinery will produce liquefied petroleum gas, gasoline, naptha, kerosene, fuel oil and 400,000 tons of asphalt a year, they said. The three companies will hold equal shares in the 1.5 billion dollar refinery.

They chose to build in Tanjung Uban because the ports in the area are deep enough for big tankers, allowing the refinery to ship directly to Japan and the United States.

Spring Quadrilateral Trade Meeting Canceled

OW0703114491 Tokyo KYODO in English 1116 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—The semiannual quadrilateral trade conference scheduled for this spring has been called off, government sources said Thursday.

The sources at the Ministry of International Trade and Industry said the autumn session of the conference, which the trade ministers of Japan, the United States, Canada, and the European Community (EC) will attend, will take place as scheduled.

The conference has been held in spring and autumn annually for the last 10 years to discuss ways to promote world trade.

The sources said the participating nations called off the spring session pending debate in the U.S. Congress on an extension of President George Bush's authority to negotiate a multilateral trade package under the Uruguay Round of multilateral trade negotiations.

Congress is expected to come up with a decision on the issue around the end of May, they said.

Central Bank Head Leaves for Basel Conference

OW0703042891 Tokyo KYODO in English 0357 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno left Tokyo on Thursday to attend the monthly meeting of central bank governors of the Bank for International Settlements (BIS) in Basel, Switzerland.

The meeting, slated for Monday, is likely to focus on the course of the global economy after the end of the Persian Gulf War, particularly the U.S. economy, and the postwar monetary policy of each member country.

The Japanese central bank chief is expected to meet top monetary officials from the United States and Germany to discuss, among other things, the rehabilitation of Kuwait and other war-torn nations in the Middle East, and how the expected boom in demand accompanying the reconstruction will affect their economies.

After visiting the Netherlands and Switzerland, Mieno is scheduled to return home on Wednesday.

1990 Service Industry Activities Rose 5.2 Percent

OW0703101591 Tokyo KYODO in English 0925 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—The activities in Japan's services sector rose a healthy 5.2 percent in 1990 from the previous year despite some potential dampening factors including higher interest rates and the labor shortage, the Ministry of International Trade and Industry (MITI) reported Thursday.

The upswing repeated the 5.2 percent rise in 1989 and 6.7 percent climb in 1988, MITI said.

The strong activity in the services industry mirrored the powerful expansion of the Japanese economy in the year, MITI said.

After posting a paltry advance in the first quarter, the January-March period, due to faltering securities and real estate businesses, the service industry picked up vigorously in the second and third quarters, propelled by robust individual consumption and firm capital spending.

The business trend in the tertiary industry, however, took a slight downturn in the fourth quarter, edging down 0.9 percent from the preceding three months, as weaknesses in securities and real estate again affected the whole industry. The overall picture in the industry throughout the year nevertheless remained healthy, MITI said. The index for service sector activity in 1990 stood at 132.6 against 100 in the base year of 1985.

All the business sectors, except the real estate, financial, and insurance industries, recorded good gains, MITI officials said. Special contributors to the advance of the entire industry were wholesale, retail, restaurants, leisure, and entertainment-related businesses.

Activity in the real estate business fell 0.3 percent from the previous year due to sluggish housing sales. Activity in the financial and insurance sectors slowed down considerably from the previous year, posting a lackluster 3.0 percent rise after five consecutive double-digit yearly increases.

Think Tank Warning on High Risk Bank Activity

OW0703114691 Tokyo KYODO in English 1106 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—An influential research organization warned Japanese financial institutions Thursday to refrain from engaging in high risk operations, including excessive lending for real estate deals.

The Japan Research Institute, affiliated with Sumitomo Bank, sounded the warning in a report on structural defects in the U.S. financial system that has led to the deterioration of banking institutions.

Japanese institutions should learn from the U.S. example and institute self-control on high risk lending, the report said.

The report said U.S. banks were forced to engage in high risk activities to boost earnings in the face of mounting competition from foreign financial institutions in a liberalized financial market. Management of U.S. banks declined at the same time, causing risks to grow, the report said.

The institute discounted the possibility of a similar situation in Japan but stressed the need for tighter controls on real estate lending as the industry moves toward total liberalization in 1993.

Rising Corporate Profits Predicted in Fiscal 1991

OW0703082191 Tokyo KYODO in English 0813 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—A research arm of Daiwa Securities Co. predicted Thursday corporate profits will recover in fiscal 1991 after a slump in the current 1990 financial year.

The Daiwa Institute of Research said its forecast was based on a survey of 466 companies, excluding banks, securities, and insurance firms, listed on the first section of the Tokyo stock exchange.

The survey estimated that pretax profits will suffer a 3.5 percent decrease in fiscal 1990, ending this month, the first fall in four years, due mainly to higher interest rates.

Net profits are expected to rise 3.3 percent in the current business year, the institute said.

Pretax profits, however, will recover in fiscal 1991, and are expected to post a 5.8 percent increase, as the companies will benefit from lower crude oil prices and easing interest rates in the latter half of the year, the institute said.

Grant of 5.6 Million Yen Given to South Africa

OW0703105491 Tokyo KYODO in English 1019 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—The Japanese Government has provided a 5.6 million yen grant promised last October to a South African nongovernmental organization (NGO) for education of black high-school students, the Foreign Ministry said Thursday.

The money will be used to purchase equipment for chemical and physical science studies run by the NGO in the country's northeastern Transvaal region called the "program for technological careers," officials said.

The aid was agreed upon in February, and is Tokyo's first direct assistance to a South African organization as part of aid to blacks in South Africa, they said.

Japan pledged the assistance at about the time of the visit by Nelson Mandela, the leader of the largest South African opposition party, the African National Congress (ANC), last October. However, Japanese Prime Minister Toshiki Kaifu rejected Mandela's pleas for financial aid to the ANC, despite donations from developed and developing nations around the world, including India.

Mandela said he was bitterly disappointed by Kaifu's refusal to support the ANC, and said Japan was doing nothing to stop apartheid.

Japan does not provide financial or technological aid to Pretoria in line with international sanctions against the apartheid policy of racial segregation, and has given assistance to South Africa's nongovernment groups through United Nations agencies.

Meanwhile, Tokyo has also promised to accept trainees from South Africa for training at the Japan International Cooperation Agency (JICA). Five South Africans will come to Japan on March 28 for a three-week economic inspection tour.

Foreign Ministry officials said Japan is also planning to extend some assistance to many South African exiles returning home after years abroad.

Government Grants Aid for Nicaraguan Industry

OW0703014191 Tokyo KYODO in English 0040 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—Japan on Thursday extended 900 million yen in grants-in-aid to debt-ridden Nicaragua to help purchase oil, steel, and other industrial necessities, the Foreign Ministry said.

Notes on the aid were exchanged in Managua, officials said.

This brings to 2.6 billion yen the total amount of grants Japan pledged to Nicaragua in the current Fiscal 1990 budget, they said.

The previously extended 1.7 billion yen was to finance four projects—bus service improvement, housing for low-income workers, improvement of nutrition for infants, and expansion of food production, the officials said.

The latest aid was offered by Prime Minister Toshiki Kaifu when he met Nicaraguan President Violeta Barrios de Chamorro during her visit to Japan in February.

Bangladesh Charges Firm Misused Aid Funds

OW0603195591 Tokyo KYODO in English 1515 GMT 6 Mar 91

[Text] Dhaka, March 6 KYODO—Bangladeshi investigators have lodged charges with Dhaka police alleging embezzlement and abuse of authority by a former Bangladeshi vice president and a major Japanese constructor of industrial plants, informed sources said Wednesday.

The charges follow allegations of irregularities uncovered by a government body investigating corruption in Bangladesh involving the embezzlement of public funds used in the upgrading of a fertilizer factory with Japanese Government aid money.

Police laid the charges against the Tokyo-based Toyo Engineering Corp. (TEC) which was carrying out the upgrading project, as well as Moudud Ahmed, a vice president under the administration of former President Hussain Mohammad Ershad.

Ershad was forced to resign in December. The Bangladesh Nationalist Party, which won the largest number of seats in national elections held in late February, has pledged to expose corruption.

A spokesman for the body investigating the graft charges said the three high officials and representatives of the Japanese company were suspected of conspiring to engage in an unnecessary overhaul of the factory, as the plant had been expected to be operational until 1995.

He said large sums of money in the form of alleged kickbacks from Toyo Engineering Corp. to the officials appear to have been involved.

It is the first time a government body has laid charges against a Japanese company in relation to official overseas development assistance.

Also charged were former Deputy Prime Minister A.M. Matin, former Vice Minister for Industry Mosharraf Hussain and representatives of the country's largest nationally owned enterprise Bangladesh Chemical Industries Corp. (BCIC).

The project involved a large scale BCIC urea fertilizer plant about 50 kilometers northeast of the capital Dhaka. The plant was built with Japanese aid money in 1970 when Bangladesh was formerly named East Pakistan.

A report released by graft investigators says Toyo Engineering Corp., which had all along been involved in the BCIC project, first proposed a large-scale overhaul in 1986 to boost the plant's production capacity, lengthen its working life, and introduce efficiency in pollution control and energy consumption.

In late 1988, the company received an order for the project involving about 2.6 billion taka (or 78 billion yen), including 10.34 billion yen in aid money from Japan.

It is alleged that Ahmed, then working within the Construction Ministry, and Hussain, then BCIC president, ignored suggestions that the overhaul was unnecessary and contracted the project, only approved by the Cabinet purchasing committee which was under the control of Matin.

The overhaul is expected to be completed in September.

In Tokyo, a spokesman for Toyo Engineering Corp. said the problem was an internal matter affecting the Bangladeshi Government and the company was not in a position to comment. He said the project is proceeding smoothly with the full cooperation of the partners.

Japan is the largest Official Development Assistance (ODA) donor to Bangladesh, giving about 49 billion yen in fiscal 1990.

Farm Minister Denies Rice Policy Shift Report

OW0703043791 Tokyo KYODO in English 0354 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—Minister of Agriculture, Forestry, and Fisheries Motoji Kondo on Thursday flatly denied a news report that the Government will revise its argument of food security for defending its rice import ban at ongoing global trade talks.

Speaking at a House of Representatives Budget Committee session, Kondo said, "There is no change in the Government's stance (of banning rice imports) at the negotiations."

The ASAHI SHIMBUN daily reported Wednesday that the Government and the ruling Liberal Democratic Party (LDP) are considering putting less emphasis on food security in its strategy on the rice issue, to avoid being isolated at the Uruguay Round of Multilateral Trade Talks, where farm subsidies are the stickiest issue. Instead, Japan plans to propose the establishment of a stop-gap measure which allows countries to limit imports of domestically controversial foods like rice, the report said.

At the four-year talks, sponsored by the General Agreement on Tariffs and Trade (GATT), Japan has consistently asserted that lifting the long-standing import ban on rice, its staple food, would threaten the already fragile food security of the country, the world's largest food importer.

Its argument has been that rice imports would push many Japanese farmers out of the industry, making the country no longer self-sufficient in rice production and reliant on imports.

Domestic Farm Machinery Production Rises

OW0703090391 Tokyo KYODO in English 0830 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—The value of domestic production of farming equipment and machinery climbed 5.8 percent to 585.5 billion yen in 1990, snapping the fourth straight year-on-year fall, the Japan Farm Machinery Manufacturers' Association said Thursday.

The last production peak was seen in 1986, when the market was valued at 674.3 billion yen, the association said.

The association cited the 20-30 percent rise in shipping prices in November and December 1990 compared to the same period in the previous year as contributing to the recovery. In addition, the National Federation of Agricultural Cooperative Associations decided to raise prices for products sold to farmers through its direct dealerships, they said.

Although sales of equipment and machinery are expected to decline in 1991, prices are expected to rise by about 4-5 percent, an official at a medium-sized farm machinery company said. The official said that harder times could be ahead for the weaker small- and medium-sized manufacturers of special farming equipment as they strive to compete against the big companies in the same market.

But other problems still remain, according to Kosaku Uda, vice president of Kubota Corp., Japan's leading farm machinery maker. He said that U.S. pressure to get Japan to open its market to cheaper foreign rice and the need for more fuel-efficient farming machinery to reduce carbon dioxide emissions are problems that remain to be solved.

Firm To Produce Containers in Dalian, PRC

OW0603132591 Tokyo KYODO in English 1305 GMT 6 Mar 91

[Text] Tokyo, March 6 KYODO—Nittsu Shoji Co. said Wednesday that it will establish a container production company in Dalian, China.

The new company will be capitalized at 300 million yen, 200 million yen of which is to be put up by Nittsu Shoji and the rest by the parent company, Nippon Express Co., Japan's largest general transportation company.

The new company will start production in November at an annual rate of 1,800 containers worth 1 billion yen. Most of the containers for ocean freight are to be sold to the parent company for its domestic operations. It will expand the production line in future to include other kinds of containers, company officials said.

Nittsu Shoji has so far produced containers in Pusan, South Korea, but decided to move to China where labor costs are relatively lower, they said.

Software Firms Rush To Do Business in PRC

OW0703123191 Tokyo KYODO in English 1145 GMT 7 Mar 91

[By Mitsuru Mabuchi]

[Text] Tokyo, March 7 KYODO—Japanese software firms believe they have discovered in China a potential miracle cure for their biggest headache.

Like most other industrial sectors, the Japanese software industry has been bedeviled by a business-suffocating shortage of labor, and the problem is expected to grow along with the ever-expanding demand for computer software.

Japan will have a shortage of 970,000 software engineers in the year 2000, the Ministry of International Trade and Industry (MITI) predicts.

While China now has only 50,000 software engineers, not nearly enough to fill this gap, it also has a very small software industry, leaving a substantial surplus for Japan to tap.

And the recent loosening of international curbs on trade with communist countries along with the easing of East-West tensions has suddenly made it easier to employ China's vast human resources.

"The country is really a gold mine of brilliant human resources," said Katsuro Ito, managing director of Daikei Data Processing Co., an Osaka-based software house.

Daikei has started hiring Chinese university graduates through its data processing joint ventures in China. The firm has already put 80 Chinese engineers on its payroll, and that may be just the beginning. "We want as many Chinese software engineers as possible," said Ito. "It is all but impossible for a non-major company like us to employ topnotch talent in Japan," he said.

Over 50 Japanese software houses have already established joint enterprises in China in hot pusuit of programmers and engineers.

"The trend has suddenly popped up in the past year or so," said Takayuki Sumita of MITI's information services industry division.

Among the Japanese companies involved is electronics giant NEC Corp., which reached an agreement last year with the Chinese Academy of Sciences to supply electronic manuals for NEC workstations.

The easing of restrictions on trade with communist countries by the Coordinating Committee for Multilateral Export Controls (COCOM) has "really made the business easier," said Seiichi Nagase, assistant to a senior vice president at NEC.

China's low wages are also a major attraction for Japanese firms. "You can make the same software at one-10th the cost in China as in Japan," Daikei's Ito said.

Analysts say the Chinese Government views the country's surplus of software engineers as a source of precious hard currency. "Selling software is a good, easy way for the Chinese to make quick profits, compared with developing industries that can produce products competitive in the world market," said Nagase.

In an attempt to keep this money tree growing, Beijing has launched a national project to train 150,000 software engineers in five years. "The Chinese Government is quite eager to sell software to Japan," said MITI's Sumita.

Chinese software exports are now worth less than 10 million dollars a year, and Beijing is eager to increase that figure. China has not only rolled out the welcome mat for Japanese software firms seeking employees, but is charging directly into the Japanese market.

The China National Computer Software and Technology Service Corporation (CS and S), the nation's largest software supplier with 53 branches nationwide and 6,000 workers, has decided to set up a joint venture with a Japanese corporate education and training company to enter the Japanese market.

The Chinese move into Japan comes in response to the problems plaguing Japanese software firms doing business in China.

While an engineer does not have to be fluent in Japanese to create software—which is written in artificial languages used worldwide—the language barrier can make it difficult for engineers and customers to understand each other. Even without any language problem, it can be difficult to maintain close contacts between engineers in one country and customers in another.

To help resolve these problem, CS and S has sent five systems engineers with a good command of Japanese to Japan to serve as contact points for customers.

Hiroshi Iida, secretary general of the Association of International Business Support (AIBS), a nonprofit organization that served as the intermediary for the joint venture, predicts a sharp surge in Chinese software concerns coming to Japan as well as in the flow of Japanese firms to China.

China's programmers, while a boon to Japanese software houses, are unlikely to bring an end to the engineer shortage by themselves. China, where computers have yet to become part of every day life, cannot provide the huge numbers Japan needs of highly creative system engineers, the most coveted type of software technologists, NEC's Nagase said. "We can ill afford to let up on our efforts to foster software engineers at home, especially those who can do creative work," said MITI's Sumita.

Joint Venture With U.S. on Catalytic Substances

OW0603125691 Tokyo KYODO in English 1233 GMT 6 Mar 91

[Text] Tokyo, March 6 KYODO—Mitsubishi Petrochemical Co. said Wednesday it will launch a tripartite venture to manufacture catalytic substances to neutralize potassium nitrate for environmental protection.

The leading Japanese petrochemical company said the venture will be established in North Carolina by Mitsubishi Petrochemical, Mitsubishi Heavy Industries Ltd., and Corning Inc. of the United States.

The new firm, Cormetech Inc., based in New York, will build a plant to remove nitric oxide elements from automobile emissions at a cost of about 2 billion yen. The factory will produce titanic oxide catalytic elements to be used to neutralize nitric oxide substances from automobile exhaust fumes, the company said.

Construction of the factory is to begin shortly, with completion scheduled for the spring of 1992.

The Japanese companies hope the factory will account for 50 percent of the market share in the U.S.

Canon To Set Up Scottish Copier Lens Plant

OW0503055591 Tokyo KYODO in English 0526 GMT 5 Mar 91

[Text] Tokyo, March 5 KYODO—Canon Inc. said Tuesday it will construct a manufacturing plant in Glenrothes, Scotland, to build lenses for use on the company's copiers sold in the European market.

Construction of the 3 billion yen plant will begin in January 1992 and its operation is scheduled to start in April 1993 with a monthly output capacity of 25,000 lenses, Canon officials said.

The lenses will then be shipped to Canon factories in France and Germany for assembly, the officials said.

By setting up manufacturing facilities in Europe, the company will be able to reduce costs and avoid import duties in different countries in the European Community, they said.

The facilities in Europe will also help increase local content of manufactured products in the future, the officials said.

Toshiba To Expand Small-Size HDDS Production

OW0503074991 Tokyo KYODO in English 0619 GMT 5 Mar 91

[Text] Tokyo, March 5 KYODO—Toshiba Corp. said Tuesday it plans to expand production of 2.5-inch and 3.5-inch hard disk drives (HDDS) in Japan, a key component part in personal computers, in a move to consolidate its position in a fast-growing world market.

Officials said the popularity of more powerful laptop computers and notebook-sized machines has stimulated a demand for "micro" HDDS with larger storage capacities.

The world market is forecast to jump to 410 billion yen in fiscal 1992, far exceeding the projected 130 billion yen in fiscal 1990, ending March 31, the officials said. Hard disk drives are used to store computer software and data.

The company plans to invest 5.6 billion yen to build a new 5,800 square meter plant at Toshiba's plant in Gifu Prefecture in central Japan.

Full-scale production of 2.5-inch, 22 and 43-megabyte HDDS and 3.5-inch, 53- and 106-megabtye HDDS will start in January 1992, at a total monthly production of 50,000 units. Total output capacity will jump to 100,000 units per month in 1994.

The company's Ome plant in Tokyo, which currently manufactures a total of 50,000 units of 2.5- and 3.5-inch HDDS a month, will expand its production lines in the second half of fiscal 1991 to turn out 70,000 units a month.

Toshiba has targeted sales of 100 billion yen in the global micro HDD market by fiscal 1994, the officials said.

NTT Picks Japanese, U.S. Firms for Cables

OW0503084691 Tokyo KYODO in English 0813 GMT 5 Mar 91

[Text] Tokyo, March 5 KYODO—Nippon Telegraph and Telephone Corp. (NTT) said Tuesday it has selected one U.S. and three Japanese firms for joint development of a new optical fiber cable.

The giant domestic telecommunications company said one part of the two-part project calls for development of high-density, small-diameter cables, and the other for development of connectors for low-loss, high-speed splicing.

Siecor Corp. of the United States and Sumitomo Electric Industries Ltd. were selected for the cable project and Furukawa Electric Co. and Fujikura Ltd. for the connector development, the company said.

The cable to be developed under the project will be used for construction of a new optical fiber network reaching households in four to five years. The cable will be four centimeters in diameter and contain about 4,000 optical fibers.

The four companies were chosen from among domestic and foreign suppliers who responded to the company's request for tenders announced in the government's official gazette last September 26, NTT said.

Toray To Build Polyester Fiber Plant in Bangkok

OW0703105191 Tokyo KYODO in English 1022 GMT 7 Mar 91

[Text] Tokyo, March 7 KYODO—Toray Industries Inc. said Thursday it will set up a polyester fiber production and sales company in Thailand in April.

The new company, Toray Fibers (Thailand) Ltd., will be headquartered in Bangkok and capitalized at 1 billion baht (about 5 billion yen). It will construct a factory in a high-tech and industrial area of Ayutthatya at a cost of 13 billion yen, Toray officials said.

The factory will produce about 1,000 tons of polyester filament a month starting in late 1992, but production later will increase to a maximum 3,000 tons a month—about one-third of the company's total polyester fiber production, the officials said.

There is increasing demand for polyester filament around the world, they said, and Toray plans to increase production by opening the factory in Thailand where labor costs are relatively low.

Most of the production from the factory will be exported to Toray's subsidiary in Britain, they said.

KYODO Correction to Report on Economy

OW0603144491

KYODO supplies the following correction to the item headlined "Japan's Economy Likely To Outpace World Economy," published in the 6 March East Asia DAILY REPORT, page 12:

Column one, penultimate graf, only sentence make read: ...current account surplus in 1995, an Institute official said. (correcting year)

North Korea

NODONG SINMUN on U.S. 'Cosmopolitanism'

SK0603124791 Pyongyang KCNA in English 1029 GMT 6 Mar 91

["Cosmopolitism Is Reactionary Ideology Serving U.S. Imperialism"—KCNA headline]

[Text] Pyongyang March 6 (KCNA)—NODONG SINMUN today assails the crafty scheme of the U.S. imperialists to reign over mankind as "monarch of the world" with "ability to lead the world," veiling their ambition for world supremacy with the reactionary doctrine of cosmopolitism.

In a lengthy article entitled "Cosmopolitism Is Reactionary Ideology Serving the U.S. Imperialists as a Tool for Their World Supremacy" the daily says cosmopolitism is a reactionary ideological trend that serves to prettify the U.S. imperialists' high-handed policies of interference and occupation and execute their strategy of global domination.

It quotes the dear leader Comrade Kim Chong-il as saying:

"Today the U.S. imperialists have combined the reactionary bourgeois racist theory and national chauvinism with the aggressive cosmopolitism and are using it as an ideological tool to gratify their ambition for world supremacy. Cosmopolitism that denies the national state, independent national economy and national culture and advocates a 'global state,' 'worldwide economy' and 'culture without nationality' serves the purpose of justifying imperialist aggression and domination and exploitation by multinational businesses."

Cosmopolitism holds an important place in U.S. imperialists' reactionary policies.

The main purport of cosmopolitism is to preach that the homeland of every and each person is the whole world and all people are "citizens of the world," in disregard of the independence of every and each country and nation.

The U.S. imperialists persistently advocate cosmopolitism with a view to gratiying their design for world domination. They, arrogantly enough, always view the planet in which mankind lives as belonging to the United States and prattle that the "global government" preached by cosmopolitism should be the United States.

They are intensifying their aggression, interference, occupation and plunder worldwide with the reactionary cosmopolitism as an ideological tool. Their moves under the plausible name of cosmopolitism are clearly manifested in the fact that they are acting the "world's monarch," the international gendarme, claiming the "leading role" of the United States in the world.

Cosmopolitism is the reactionary ideological foundation of their theory of the "leading role" of the United States. Talking about the management and guidance of the world on the basis of the cosmopolitan theory, they preach that the United States has taken the mission to lead the world.

Their aggressive doctrine of cosmopolitism stands fully naked in Korea. Their occupation of South Korea and the prolonged division of Korea are reactionary results of their cosmopolitism.

The crafty nature of their aggressive moves finds expression in their attempt to invent the "concept of Asian state of the United States" and the "concept of European state of the United States" based on the reactionary doctrine of cosmopolitism and thus bring the continents of the world under their control.

Their scheme camouflaged with cosmopolitism reveals its whole picture in the fact that they are trying hard to establish a world based on the American-style liberal democracy, describing the American outlook on value as a universal human outlook on value.

Advertising the superiority of their "moral outlook on value," they are maneuvering to accelerate the process of unification and commonness of the world on its basis.

The U.S. imperialists intend to build a "free world" on the globe under the motto of cosmopolitism. The "free world" means a world with a structure allowing the United States to act its dominator. The U.S. imperialists are so keen on spreading cosmopolitism, attaching great importance to it, with the goal of turning the world into a "free world". They are now heatedly advertising the "concept of a free world", in the belief that if the U.S.-style liberal democracy is implanted in all the countries, the world will automatically belong to the United States.

Cosmopolitism is a reactionary ideological poison that impedes the advance of the working-class revolutionary cause and benumbs the revolutionary consciousness of the people.

The reactionary nature of cosmopolitism pursued by the U.S. imperialists finds expression in that it is an ideological poison which denies the independence of the country and the nation and encroaches upon it.

The advocates of cosmopolitism contend that such concepts as "motherland," "nation," "state," "class," and "party" are all meaningless in the internationalized world and that pan-human phrases such as "planet," "humanity," "human world and civilization" should be in vogue. This is a reactionary sophism that dulls the people's national consciousness of independence.

The imperialists persistently deny the independence of the nation with the ideological poison of cosmopolitism in a bid to pave the way for their aggression without difficulty.

The reactionary nature of cosmopolitism pursued by the U.S. imperialists finds another expression in that it has been used as an ideological tool barring the current towards the independence of the world and impeding the healthy development of international relations.

Those who advocate cosmopolitism claim that it is the contents of the present international developments that national state, national economy and national culture gradually wither away and a "global government," "world economy" and "world culture" are formed, by which the world becomes homogenous and common.

This is nothing but a sophism that misrepresents the undertakers of the world movement and its motive force and the essence of the present international relations.

The main characteristics of the change and development of the world are that it is becoming independent. The motive force which holds the control lever of the world movement is mankind that advocates independence. Hence, the appearance of the world, its essential contents and the aspects of its development are decided by the progressive mankind advocating independence.

The world is made independent by the independent struggle of all countries and nations, the article notes, and stresses:

The development of the world is only possible when the whole world is made independent. Only when they join themselves in the great current towards the independence of the world under the banner of independence, can the people of all the progressive countries of the world properly shape the destiny of their countries on their own responsibility and build an independent, new world free from domination and subjugation.

The imperialists' world strategy intended to benumb the revolutionary consciousness of the people and turn back the wheel of history is doomed to failure in face of the struggle of the people who are advancing under the banner of independence.

The aggressive doctrine of cosmopolitism does not go down with the people advocating independence. It is inevitable that cosmopolitism and all other reactionary thoughts will go busted under the bright rays of the great chuche idea.

Imperialism is destined to destruction with the collapse of cosmopolitism.

Commentary on 4 Mar 'Military Provocation'

SK0703044291 Pyongyang Domestic Service in Korean 1150 GMT 5 Mar 91

[Commentary by station commentator Chong Pong-kil: "Deliberate Maneuvers To Ignite the Fuse of War"]

[Text] According to reports, the South Korean puppets perpetrated a grave military provocation by firing artillery shells against our side's area in the DMZ on the eastern section of the front.

At around 1430 on 4 March, the South Korean puppet troops brought several antitank rockets into the DMZ southwest of Mt. Oun, installed them at a position, and fired scores of shells against a spot near the central Military Demarcation Line [MDL].

A lot of shrapnel from the shells fired by the puppets fell around our side's civil police post on the opposite side across the central MDL, thus seriously threatening the personal safety of our civil policemen on their routine duty.

The South Korean puppets perpetrated a grave military provocation by firing artillery shells against our side's area at a time when they and the U.S. imperialists were frantically conducting the adventurous Team Spirit-91 joint military exercise. This is a deliberate, premeditated maneuver to ignite the fuse of war, and, therefore, we cannot help but consider it a grave incident.

As is already known, the U.S. imperialists and the South Korean puppets started the Team Spirit-91 joint military exercise late in January, have daily brought troops of aggression and operational equipment into South Korea from U.S. bases on the U.S. mainland and in the Pacific region on a large scale, and have frantically conducted war exercises aimed at northward invasion on land, at sea, and in the air. Let us see what has happened for the past few days. Under the Team Spirit-91 joint military exercise plan, the U.S. imperialists and the South Korean puppets brought several formations of C-130 and C-141 transport planes loaded with U.S. Army, Navy, and Air Force troops and war materiel and formations of F-16 and F/A-18 pursuit-assault planes from bases on the U.S. mainland and Hawaii and overseas U.S. bases to Air Force bases in Osan and Kunsan, South Korea, and deployed the troops to operational areas for exercises. After mobilizing airplanes and operational equipment, which they have already brought into South Korea, they are frantically conducting, along the MDL, air strike exercises, offensive river- crossing exercises, and other war exercises, which are aimed at northward invasion.

As part of the Team Spirit-91 joint military exercise, on 1 March the U.S. imperialists flew approximately 40 F-16 fighter-bombers to the area over Chungju, Oeyon Island, Sangdong, and Chongju. In cooperation with formations of F-4 and F-5 fighter-bombers, these planes conducted a joint air strike exercise aimed at northward invasion. The puppets frantically conducted an offensive river- crossing exercise involving armored infantrymen at Yongpyong-chon, north of Pochon.

Because of the Team Spirit war exercise maneuvers by the U.S. imperialists and the South Korean puppets, the situation today in our country is becoming maximally tense. The puppets perpetrated a military provocation by firing artillery shells against our side's area under these circumstances and, moreover, inside the MDL, along which the massive forces of the two sides are confronting. This military provocation is very dangerous playing with fire. Those fellows fired artillery shells against our side's area in an effort to find an excuse for war and to provoke a new war.

Concentrating massive forces of aggression, conducting war exercises, finding an excuse for war, and consequently provoking a new war is a method that the imperialists have adopted habitually. Also, the notion that a war exercise may turn into an actual war any time is well shown in the U.S. imperialists' history of aggression so far.

Taking advantage of the U.S. imperialists' reckless new war provocation maneuvers, the South Korean puppets are running wild to fulfill their ambition for a victory over communism. Seized with unbridled arrogance over the fact that the Gulf war is coming to an end, the U.S. imperialists are trying to provoke a new military conflict in a certain area, and, above all, set their eyes on the Korean Peninsula in this attempt. This is clearly shown in the fact that in the so-called annual report to Congress and the President, the U.S. Department of Defense said that North Korea has powerful military strength and that the necessity of the U.S. Forces occupying South Korea is unchanging. This is also why the U.S. imperialists incited the puppets to conduct the large-scale Team Spirit-91 war exercise against us, a partner in the North-South high-level talks, thus suspending the talks.

Even though they clearly know that, in hearty response to the order of the Korean People's Army supreme commander, our revolutionary armed forces and people have assumed a full combat mobilization posture, those fellows fired artillery shells against our side's area. However, this has not turned into war, entirely because of our patient peace-loving efforts. Still, those fellows must know that our patience has its limits. Even though we treasure peace, we are not afraid of war at all. If they embark upon the road toward provoking a new war after all, the U.S. imperialists and the South Korean puppets will be held fully responsible for all the consequences that may arise therefrom. Those fellows must clearly know that those who set a fire will surely go the way of a tiger moth and must act with discretion.

Mass Meetings Held To Denounce Team Spirit

SK0603153791 Pyongyang KCNA in English 1457 GMT 6 Mar 91

[Text] Pyongyang March 6 (KCNA)—Mass Meetings are being held in provincial seats of Korea to denounce the "Team Spirit 91" joint military exercises of the U.S. imperialists and the South Korean authorities.

Participants in the meetings sharply denounced the U.S. imperialists and the No Tae-u ruling group for starting the criminal "Team Spirit 91" joint military exercises in spite of protest and denunciation from all the Korean people and the world's peaceloving people.

Speakers at the North Pyongan provincial mass meeting stated that the order issued by the supreme commander of the Korean People's Army in face of the tense situation is a legitimate self-defensive measure to safeguard the socialist fatherland and revolutionary gains as an impregnable fortress from the military provocation moves of the enemy and a manifestation of the firm will and revolutionary stand of the Korean people and People's Army to punish the aggressors with a decisive counterblow.

They said that the extremely provocative "Team Spirit 91" joint military exercises started by the U.S. imperialists in South Korea with the Gulf war as an occasion clearly reveal their insidious scheme to spread the war in the Middle East even to the Far East.

Speakers at the Nampo municipal mass meeting expressed resolutions of working people to add brilliance to the socialist fatherland of chuche, keeping themselves in full readiness for combat mobilization and pressing on with production and construction in the spirit of smashing the enemy in hearty response to the order of the supreme commander of the Korean People's Army.

Noting that the Korean people are closely watching every move of the enemy after taking full combat mobilization posture, speakers at the Kangwon provincial mass meeting warned the U.S. imperialists and the South Korean authorities to look foursquare at the indestructible strength of the Korean people united with one mind and act with discretion.

U.S., South Stage Ground, Air 'War Games'

SK0703054791 Pyongyang KCNA in English 0445 GMT 7 Mar 91

["Frantic Ground and Aerial War Games of U.S. Imperialists and South Korean Puppets"—KCNA headline]

[Text] Pyongyang March 7 (KCNA)—The U.S. Pacific Airforce Command on March 5 staged another joint ground strike exercise against the North in the sky above Chunchon and Yoju with the mobilization of more than 100 F-16, A-37 and other fighter-bombers and assault planes of the U.S. Airforce present in South Korea and the puppet airforce, according to military sources.

On the same day, the U.S. imperialists sent formations of F-16s to the sky above Tanyang and Kongju to stage a war game for increasing capabilities of a joint aerial operation with F-16, F-4, F-5 and A-37 planes of the puppet Airforce.

That day they brought formations of C-141 and C-130 transport planes loaded with huge forces of the three services and combat equipment for the "Team Spirit 91" joint military exercises from the U.S. mainland and bases in the Pacific to the Kimpo and Osan airfields and deployed formations of F-15, A-4 and KC-10 planes to the Osan, Kunsan and Taegu air bases.

They also let a Guam-based KC-135 refuelling tanker fly above Kwangju and Kunsan on the same day in an exercise for mid-air refuelling of more than 20 F-16 and OA-10 planes participating in the aerial war game.

In separate development, the South Korean puppets on March 5 staged a madcap offensive exercise of mechanized units and combined infantry units in Tongduchon and Kapyong with the support of scores of F-16, F-5 and OA-10 planes.

More than 670 warplanes were mobilized in the aerial war exercises under various names in the sky above South Korea on March 5 alone.

World Peace Council Issues Statement on Exercises

SK0703054691 Pyongyang KCNA in English 0423 GMT 7 Mar 91

[Text] Pyongyang March 7 (KCNA)—Participants in a meeting of the Executive Committee of the World Peace Council held in the capital of Cyprus made public a joint statement on February 10.

It is a grave act going against peace and dialogue and leading the situation to the brink of war for the United States and the South Korean authorities to stage the "Team Spirit" joint military exercises at a time when North-South high-level talks and other multi-channelled talks are going on with a view to achieving peace on the Korean Peninsula and its peaceful reunification and the Korean people's desire for reunification is growing as never before, said the statement.

It demanded that the United States and the South Korean authorities stop the military exercises at once and immediately respond to the adoption of a nonaggression declaration between the North and the South and the signing of a peace agreement between Korea and the United States.

Noting that it is an important matter directly linked to the cause of peace in Asia and the world to achieve the peace and reunification of the Korean Peninsula, the statement called upon the peaceloving people and peace organisations the world over to conduct various forms of movements for supporting the peaceful reunification of Korea and the struggle of the Korean people to turn the Korean Peninsula into a nuclear-free, peace zone and for condemning the "Team Spirit 91" joint military exercises.

Kang Hui-won Speech at 28 Feb Pyongyang Rally

SK0703050691 Pyongyang Domestic Service in Korean 0657 GMT 28 Feb 91

[Speech by Kang Hui-won, alternate member of the Political Bureau of the Workers' Party of Korea Central Committee and vice premier of the State Administration Council, at a mass rally held at the Pyongyang indoor stadium on 28 February—live]

[Text] Comrades: Because of the commotions of the adventurous Team Spirit-91 joint military exercise kicked up by the U.S. imperialists and the South Korean puppets, the dark clouds of nuclear war hang heavily over the heads of our people and a grave situation capable of triggering a war at any given moment prevails on the Korean Peninsula.

In response to such a situation, the supreme commander of the Korean People's Army [KPA] has issued an order to all the units of the three services of the KPA and the Korean People's Security Forces and to all members of the Worker-Peasant Red Guards and the Young Red Guards to be fully prepared for combat mobilization.

The order is a legitimate self-defensive measure to defend our socialist fatherland and the revolutionary gains as an iron-clad bastion against the military provocation scheme of the U.S. imperialists and the South Korean puppet clique and to shatter in advance the sinister provocation scheme of the aggressors, as well as a manifestation of the unshakable will and revolutionary stand of our people and the People's Army to mete out punishment to the enemy with a decisive counter blow, if they dare ignite a war.

Regarding the order from the supreme commander of the KPA as the most just and active measure designed to prevent the danger of war created by the reckless commotions of the Team Spirit-91 joint military exercise kicked up by the U.S. imperialists and the South Korean puppet clique and to defend national peace and stability in Asia and in the world at large, I fully support the order along with the participants in this mass rally. [applause]

The Team Spirit-91 joint military exercise being conducted by the U.S. imperialists and the South Korean puppets is an intolerable challenge to our Republic and people who have been making every sincere effort to ensure a durable peace on the Korean Peninsula and provide the preconditions for its peaceful reunification. It is also a never-to-be-condoned criminal act of sending back to the maelstrom of tensions and confrontation the situation on the Korean Peninsula that was moving toward detente and peace.

As is widely known, our party and the Republic's government, proceeding from the single-minded desire to remove the tensions and the danger of war prevailing on the Korean Peninsula and to promote national peace and peaceful reunification, has constantly put forward many reasonable proposals for dialogue and have made every possible effort to realize them.

Last year we took the initiative in arranging the North-South high-level talks and at the three rounds of talks conducted during the last year we repeatedly called on the South Korean side to adopt a nonaggression declaration in order to remove the state of political and military confrontation and to provide conditions favorable to peace and peaceful reunification and to discontinue the Team Spirit joint military exercise which is an immediate problem to be resolved.

We even went so far as to put forward a flexible proposal that the South Korean side stop conducing the Team Spirit joint military exercise for at least a few years while the North-South high-level talks are underway if they are unable to stop the Team Spirit joint military exercise completely.

In particular, when announcing a new epoch-making proposal for peace and peaceful reunification at the outset of this year, we once again called on the South Korean authorities to accept our proposal to adopt a nonaggression declaration and to stop conducting the Team Spirit joint military exercise.

Not even after the South Korean ruling bunch announced the plan for the Team Spirit war exercise ignoring our generous persuasion and advice, we have not stopped making efforts toward peace and strongly called on them, in statements issued by the Ministry of Foreign Affairs and the Committee for Peaceful Reunification of the Fatherland, to stop kicking up the war commotions of driving the dialogue to its breakup and jeopardizing peace

This notwithstanding, the U.S. imperialists and the South Korean puppets have broken up the North-South dialogue, sending North-South relations back to the former state of acute confrontation that existed before the dialogue start, and are bringing the situation to a dangerous state where nobody is sure when war will break out by putting in motion the Team Spirit-91 joint military exercise against all odds, ignoring our peace proposals and sincere efforts for their realization.

This is nothing but a provocation to us who are making every effort possible to realize national peace and peaceful reunification through dialogue and negotiations after having repeatedly put forward reasonable proposals. It is also nothing but a betrayal to the opposing side in the dialogue.

The South Korean ruling bunch began conducting the Team Spirit-91 joint military exercise in defiance of our repeated demands, openly reflecting their antidialogue, antipeace, and antireunification stand.

Unless the South Korean ruling bunch abandons their wrong stand as it is, dialogue with them is impossible. Even if dialogue is conducted with them, no progress can be hoped for in the dialogue. How can anyone hold dialogue with those who are devoted to the game of playing with fire designed to strike at their fellow countrymen in league with outside forces, all the while ignoring the just proposals from the opposing side to the talks, and what can anyone hope to settle in such talks?

It was an entirely justifiable act that last 18 February the North side's delegation to the North-South high-level talks condemned the antidialogue, antipeace, and antireunification crimes of the South Korean authorities who had suspended and broken up the North-South high-level talks. [applause]

The great leader Comrade Kim Il-song has taught: Because of the maneuvers of the U.S. imperialists and the South Korean fascist military elements to provoke a new war, the situation in our country is now extremely strained and it now faces a dangerous situation where nobody can be sure when the war will break out.

The Team Spirit-91 joint military exercise being conducted by the U.S. imperialists and the South Korean puppets is a very dangerous game of playing with fire, whose aim is to invade our Republic in the sky, on the ground, and at sea. Not only the U.S. imperialist troops of aggression stationed in South Korea and the puppet army, but also the vast number of armed forces, including U.S. troops from the continental United States and the Pacific, ships, aircraft of various descriptions, tanks, and an assortment of military vehicles—more than enough to wage a full-scale war—are mobilized in this war exercise.

What is more, mobilized in this war exercise are a nuclear- powered aircraft battle group belonging to the U.S. Seventh Fleet that is carrying nuclear weapons, a vast number of nuclear weapons, various means of launching a nuclear strike, and various nuclear war equipment, and even the strategic command specializing in commanding of nuclear war and nuclear war (?helicopters) directly driven and commanded by U.S. war caudillos.

In terms of its substance, the Team Spirit war exercise consists of offensive operations such as large-scale united landing operations designed to launch a full-scale strike at the northern half of our Republic in the front and rear, river-crossing operations, airborne mobile task operations, and commando operations.

In its goal and nature, this war exercise is also a thoroughly aggressive preliminary war and a nuclear test war designed to swallow us through surprise mobilization and strike, not to mention that it assumes our Republic is the target to strike.

It is no secret that the U.S. imperialists and the South Korean puppets have perfected the preparations for an armed invasion of us through this Team Spirit joint military exercise, which they have escalated year after year since 1976.

The war exercise they have set in motion this year is more dangerous, as it is timed to coincide with the unprecedented anticommunist commotions of confrontation kicked up in South Korea more viciously than ever in the wake of developments in the Gulf.

The traitorous No Tae-u clique began babbling about the nonexistent, possible provocation and threat by somebody as soon as the flames of war flared up in the Gulf, as if it were waiting for it all the time. Then, holding the so-called emergency security guarantee meeting and an emergency meeting for countermeasures one right after the other, the clique put the puppet armed forces and puppet police on emergency alert and placed the whole of South Korea on an emergency war footing.

After having the entire puppet armed forces prepared to go into action, they are carrying out a wicked fascist suppression of the forces aspiring toward reunification and democracy by mobilizing all the suppressive armed forces, while fanning military provocations against us. The fact that the U.S. imperialists have kicked up extremely provocative war exercise commotions in South Korea which is engulfed in a murderous atmosphere akin to a war posture indicates that the U.S. warmongers, who are fond of playing with fire, are bent on expanding the flames of the war in the Gulf as far as the Far East.

We still remember the open statement of the U.S. imperialists who had said earlier that if war breaks out somewhere else in the world, they will strike the northern half of the Republic with armed force.

There is no guarantee that the U.S. imperialist aggressors, who have become more arrogant in proportion to the changes in international relations, and the No Tae-u ring, which is now faced with a serious crisis, will not turn the Team Spirit into a actual war of invasion of the northern half of our Republic.

On behalf of the Pyongyang citizens who have gathered here at this rally and on behalf of all the Korean people, I resolutely denounce the aggressive and provocative war commotion being committed by the U.S. imperialists and the No Tae-u nation-selling clique. They have challenged our sincere peace efforts by carrying out the nuclear war exercise, driven North-South dialogue to the verge of ruin, destroyed peace on the Korean Peninsula, and threatened and endangered the world's security. [applause]

The reason that the U.S. imperialists and the South Korean puppets made poor excuses by saying that the war exercise to invade the North which they are currently holding is some kind of a defensive exercise and that they had reduced the scale and duration of the exercise in consideration for the North-South dialogue this year is nothing but a cunning and deceitful trick to hide their criminal character and the danger of this war exercise.

Regarding the duration of the exercise, it is to end by late April. Therefore, to babble about reducing the duration of the exercise is nothing but conniving propaganda to deceive the general public.

This is clearly shown from the fact that the rascals have not reported on the situation of the war exercise and are hiding this fact, even though one month has passed since the start of the 1991 Team Spirit war exercise.

Under whatever excuse, the U.S. imperialists and the No Tae-u nation-selling clique cannot hide their shameful true nature as the destroyer of dialogue, the agitator of peace, and the enemy of reunification.

Currently, the U.S. imperialists and the South Korean puppet clique are currently carrying out the 1991 Team Spirit war exercise commotion and are trying to realize the ambition of reunification through a victory over Communism. They are also suppressing the South Korean people's atmosphere of achieving the reunification of the fatherland by wielding bayonets and are crazily running amok to save the crumbling colonial military fascist rule.

As a result of the fact that dialogue and exchange between the North and South became active and the atmosphere for the reunification of the fatherland was further enhanced, the anticommunist system began to crumble and the anti-U.S. and antifascist struggle among the people from various walks of life and youth and students in South Korea are increasing unprecedentedly. The U.S. imperialists and the South Korean puppets who became frightened conducted the aggressive 1991 Team Spirit joint military exercise, thus frustrating the North-South dialogue, threw a wet blanket over the atmosphere of national unity which existed after a much-awaited time, and intentionally strained the situation. By doing so they are trying to viciously maneuver to prevent the people's mass struggle to achieve independence, democracy, and reunification.

As can be seen from the historic facts of the past, the aggressors have always accompanied the crazy fascist policy in strengthening their war policy.

Today, under the instigation of the U.S. imperialists, the fascist suppressive commotion being conducted in South Korea by the No Tae-u clique is the most vicious, which by far exceeds that of the Fifth Republic dictatorship in its viciousness and brutality.

While babbling about the fascist clique's so-called wartime security, the puppets are continuously talking about the oppressive law of working under emergency security, strengthening defense, and strong measures against those participating in demonstrations, and they are mobilizing the puppet police as well as the forces of the puppet army to cause a commotion by checking and searching day and night, thus carrying out the terror-stricken politics of watching over, following, arresting, and detaining the people.

Recently, the fascist clique indiscriminately suppressed progressive democratic forces such as the National Democratic Alliance of Korea [Chonminnyon], the National Council of University Student Representatives [Chondaehyop], the National Council of Labor Unions [Chonnohyop], and the National Teachers Trade Union [Chongyojo] in South Korea. The fascist clique is also committing the unforgivable criminal act of arresting and detaining the core members and fabricating various schemes, thus arresting, putting on trial, and punishing many patriotic figures and youth and students.

Currently, South Korea is being changed into a terror-stricken whirlpool where the military fascist's bayonets are rampant and where democracy and the people's rights are changing into a desolate grave, and the No Tae-u fascist regime is openly dashing down the road of military fascist rule.

The situation shows that the South Korean ruling bunch, which is driven into a corner, may attempt to find a way out by kicking off a provocation and shocking anticommunist smear maneuvers against us.

The aggressive nature and policy of strength of the U.S. imperialists have not changed even the slightest degree. The nation-selling flunkeyist and treacherous acts of the No Tae-u group, which maintains its life as the war culprit of the U.S. imperialists, are becoming more cunning and vicious with each passing day.

Today's grave situation raises the issue of removing the danger of war on the Korean Peninsula by easing tension and of guaranteeing peace as the most urgent task of vital importance.

We absolutely will not allow the lands of the fatherland to be reduced to a wasteland due to the U.S. imperialists' nuclear war maneuvers and will not allow all the people to suffer cruel calamities because of a nuclear war.

To drive out the dark clouds of nuclear war cast over the lands of our fatherland, all the Korean people should more vigorously wage the struggle in every place against the Team Spirit-91 joint military exercise.

The South Korean people, youth, and students should more vigorously wage the anti-U.S., antiwar and antinuclear struggle to resolutely oppose and reject the criminal Team Spirit-91 joint military exercise and to force the

U.S. troops to withdraw, taking along their nuclear weapons. They should also vigorously carry out the struggle to force the incumbent Democratic Liberal Party regime—a war culprit of the U.S. imperialists—to resign, and to establish a truly democratic regime.

The U.S. imperialist aggressors and the South Korean puppet clique should correctly realize that there is a limit even to our patient efforts and they should immediately give up the aggressive Team Spirit-91 joint military exercise maneuvers.

Our people love peace and do not want confrontation and war, but we will not beg the aggressors for peace. If the U.S. imperialists and the South Korean puppets finally advance along the road of a war of aggression, ignoring our peaceloving efforts, our people and our revolutionary armed forces, rising as one man, will firmly defend our socialist fatherland and revolutionary gains, and will retaliate against the aggressors a hundred and a thousand times. [applause]

To counter the new war provocation maneuvers of the U.S. imperialists and the South Korean puppets against us, all the people in the northern half of the Republic will make every preparation so that we can quickly smash the provocative maneuvers of the aggressors with lofty revolutionary vigilance, and will firmly defend the socialist fatherland and the revolutionary gains.

Upholding the great leader Comrade Kim Il-song's historic New Year address this year, we should vigorously wage the three revolutions—ideological, technological, and cultural—and should accelerate socialist construction. Thus, we should create new miracles and innovations and more firmly consolidate the most superior socialist system of our own form.

Our people are struggling with optimism, with confidence in their revolutionary confidence and with conviction in the future under the wise leadership of the great leader and great party. Only brilliant victory and glory lie ahead of us. [applause]

By loyally upholding the leadership of the party and the leader, let us all rise as one man in the grand rewarding socialist march and vigorously fight to expedite the complete victory of socialism and the independent and peaceful reunification of the fatherland. [applause]

NODONG SINMUN Analysis of 'No Tae-u's Boloney'

SK0703051491 Pyongyang KCNA in English 0450 GMT 7 Mar 91

["NODONG SINMUN on No Tae-u's Boloney"—KCNA headline]

[Text] Pyongyang March 7 (KCNA)—No Tae-u incited a war fever, taking issue with the North, at the "graduation ceremony of the Military Academy" on March 5. He driveled about someone's "possible armed provocation" and blared that peace on the Korean Peninsula can be "preserved only by defence capabilities enough to deter provocations".

This rigmarole of No Tae-u reminds us of a thief crying "Stop thief!", a news analyst of NODONG SINMUN today says, and continues:

The U.S. imperialists and the South Korean puppets, in defiance of strong protest at home and abroad, are now staging the "Team Spirit 91" joint military exercises, a test nuclear war aimed at a surprise preemptive strike at our Republic.

Who is the provocateur presenting the threat of aggression on the Korean Peninsula and whom does No Tae-u dare provoke?

We have made all along sincere efforts for peace and peaceful reunification of the Korean Peninsula.

We have urged more than once the United States and the South Korean authorities to respond to an agreement on and adoption of a nonaggression declaration between the North and the South and completely stop the aggressive "Team Spirit" joint military exercises and, if it were difficult, to discontinue the manoeuvres tentatively.

It is foolish of No Tae-u to cover up his bellicose nature with the propaganda about the fictitious "threat from the North" and paint himself as an apostle of peace.

Peace of the Korean Peninsula can be ensured only when the armed forces of the North and the South are reduced drastically and the U.S. imperialist aggression forces and nuclear weapons withdrawn from South Korea. Nevertheless, No Tae-u called again for arms buildup, stripping himself bare to reveal his true color as a warmaniac.

It is very ill-boding that No Tae-u is running high fever in the false propaganda about the fictitious "threat from the North" with several days to go before the full-dress stage of field manoeuvres of the "Team Spirit".

Nobody can vouch that the No Tae-u ruling group will not ignite a war by inventing some pretexts, when an opportunity presents itself, while staging the war game with the U.S. imperialist aggression forces with South Korea put under an "emergency wartime system".

If the U.S. imperialists and the South Korean authorities start another war, the bellicose elements will surely have to pay dearly for it.

KCNA Review of 7 Mar Pyongyang Press

SK0703055491 Pyongyang KCNA in English 0457 GMT 7 Mar 91

[Press review]

[Text] Pyongyang March 7 (KCNA)—Dailies here today carry a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Jerry John Rawlings, head of state and chairman of the

Provisional National Defence Council of the Republic of Ghana, on the 34th anniversary of the independence of Ghana.

NODONG SINMUN gives an account of a seminar on the new year address of the great leader President Kim Il-song which was held in Sierra Leone. President Kim Il-song received solidarity letters from different countries supporting the new proposal for national reunification put forward in his new year address, says the press.

Dailies inform the readers that seminars on the work of dear Comrade Kim Chong-il "The Workers' Party of Korea Organizes and Guides All the Victories of Our People" were held by groups for the study of the juche idea in Malta and the work was carried in foreign newspapers.

Conveyed in NODONG SINMUN are words of South Korean youth and students and other people longing for the Northern half of Korea, highly praising President Kim Il-song and Comrade Kim Chong-il.

Celebration functions were held in different countries and articles were carried in foreign publications on the birthday of Comrade Kim Chong-il.

Econews of the press includes reports about innovations in the production of electricity, chemical fertilizer and about brisk preparations for farming such as spring sowing.

"Continued Innovation, Uninterrupted Advance Is Important Demand for Constant Victory of Socialism" is the title of an article of NODONG SINMUN.

The Korea-Namibia Friendship Association was formed and a protocol of the 13th meeting of the subcommittee of scientific and technological cooperation was signed between the governments of the DPRK and Romania, says the press.

The press informs the readers of the closure of the sports games for "Paektusan Prize".

Carried in NODONG SINMUN are letters sent by the chairmen of the Central Committees of the General Federation of Trade Unions of Korea and the Union of Agricultural Working People of Korea and of the Korean Student Committee to the acting chairman of the "National Council of Trade Unions" and the chairmen of the "National Federation of Peasants Associations," the "National Council of Student Representatives" and the "National Council of Representatives of Youth Organisations" of South Korea on the contacts and dialogue between delegates of workers, peasants, youth and students of the North and the South.

Papers carry commentaries denouncing No Tae-u for inciting war fever, slandering the North, at a "graduation ceremony of the military academy", with outcries over "threat from the North".

In an article MINJU CHOSON says the "theory of heterogeneity" spread by the South Korean rulers is a sophism to justify their "two Koreas" plot.

According to the press, the United States and the South Korean rulers continue staging war exercises and aerial espionage against the North.

The press gives accounts of mass rallies held at provincial seats in the Northern half of Korea denouncing the aggressive "Team Spirit 91" joint manoeuvres and a report that the Secretariat of the International Union of Students sent a letter of protest to the South Korean authorities.

Foreign party and state leaders and public circles expressed full support to the DPRK's new proposal of national reunification, says NODONG SINMUN.

Papers report that Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, met with V. Ivashko, deputy general secretary of the C.C. [Central Committee], the Communist Party of the Soviet Union, who visited China, and that Gen. Sec. Jiang praised spirit of Lei Feng.

NODONG SINMUN carries news that the Supreme Soviet of the USSR adopted a decision to remove all obstacles to the exercise of the rights of the citizens participating in the referendum.

It is reported in the paper that the Tanzanian president declared that his country would not give up the policy of socialism and self-reliance, the Algerian president called for unity of the nation and 53rd OAU Council of Ministers meeting was held.

The paper deals with the building of new society in Angola, Tanzania, Pakistan, Indonesia, Bangladesh, Argentina and Iran.

An article of the paper explains why the South African authorities were compelled to repeal the main laws of apartheid.

The enormous military budget of the United States for the new fiscal year shows the reactionary nature of the U.S. imperialists as the chieftain of war, says the paper.

Kim Il-song Sends Congratulations to Al-Asad

SK0703111991 Pyongyang KCNA in English 1018 GMT 7 Mar 91

[Text] Pyongyang March 7 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea on March 7 sent warm congratulations to President Hafiz al-Asad of the Syrian Arab Republic on the 28th anniversary of the March 8 revolution in Syria.

In the message he said since the victory of the revolution the Syrian Arab people under the leadership of the Ba'th Arab Socialist Party have made big strides in their endeavours to consolidate the country's independence, strengthen the national unity and build an independent economy.

He wished President Hafiz al-Asad and the Syrian Arab people greater success in the work for the country's territorial integrity and prosperity and expressed the conviction that the friendly and cooperative relations between the two countries will further strengthen and develop.

Choe Hyon-tok at Mauritian Independence Meeting

SK0403115891 Pyongyang KCNA in English 1024 GMT 4 Mar 91

[Text] Pyongyang March 4 (KCNA)—A meeting was held here today to mark the 23rd anniversary of the independence of Mauritius.

Present at the meeting were Choe Hyon-tok, vice-chairman of the C.C. [Central Committee], the League of Socialist Working Youth of Korea and chairman of the Korea-Mauritius Friendship Association, other officials concerned and working people in the city.

A speech was made and a message of greetings to the governor-general and the prime minister of Mauritius adopted there.

Pak Tong-chon To Head Namibia Friendship Body

SK0603122691 Pyongyang KCNA in English 1023 GMT 6 Mar 91

[Text] Pyongyang March 6 (KCNA)—An inaugural meeting of the Korea-Namibia Friendship Association was held here today.

Pak Tong-chon, vice-chairman of the Committee for Cultural Relations With Foreign Countries, was elected chairman of the Korea-Namibia Friendship Association.

New Ambassador to Benin Presents Credentials

SK0403062191 Pyongyang KCNA in English 0441 GMT 4 Mar 91

[Text] Pyongyang March 4 (KCNA)—Benin President Mathieu Kerekou wished the Korean people great success in their struggle for the independent and peaceful reunification of the country, stating that Benin has invariably supported the proposals put forward by respected His Excellency Marshal Kim Il-song for the independent and peaceful reunification of the country.

He said this when he received credentials from newly appointed DPRK ambassador to his country Paek Hong-ki on February 28.

The respected leader His Excellency Marshal Kim Il-song founded the chuche idea and has successfully applied it to Korea so that the Korean people could live a happy life in a human paradise, he said.

Referring to the development of the friendly relations between Benin and Korea, he stressed that the Benin people boundlessly respect His Excellency Marshal Kim Il-song.

* State Council Adopts Decision for 1991 Economy

912C0134A Pyongyang MINJU CHOSON in Korean 16 Jan 91 p 1

[By unidentified MINJU CHOSON reporter: "Decision Adopted for the Successful Fulfillment of the 1991 People's Economy Development Plan"]

[Text] The State Administration Council recently adopted Decision No. 1 for the thorough execution of DPRK Central People's Committee Decision No. 71 "On the People's Economy Development Plan for 1991."

The great leader Comrade Kim Il-song taught:

"The main task facing us in the socialist economic construction this year is to give firm precedence to the priority sectors of the people's economy, and to make effective use of the economic foundations which we have laid, thereby regularizing production at high levels and further improving the people's material and cultural living standards in accordance with the socialistic demands."

According to the State Administration Council decision, the 1991 people's economy development plans—specified by the agency, the enterprise, the indicators, and by the quarter—have been approved.

The decision puts forth the following as the main tasks to be grappled with in the fulfillment of this year's people's economy development plans: to give firm priority to the extraction industry, electric power industry and railway transportation; [illegible]ut great emphasis on metal industry developments; to make effective use of the economic foundations which we have laid; and by doing so, to regularize production at high levels in all the sectors of our people's economy. The main tasks also include pushing forward major construction projects actively, increasing grain and daily necessities production decisively, and building housing units on a large scale so as to meet the people's demands for food, clothing, and shelter more satisfactorily.

Rapidly developing the priority sectors of the people's economy, and bringing the productive potential of the key industries into full play, constitutes an important guarantee for gains in the power of the self- dependent national economy, for production regularized at high levels, and for success in accomplishing all the tasks facing the socialist economic construction in the present period.

The decision lists the 1991 quantities of production for major branches, including coal, ferrous ore, apatite concentrates, nonferrous metals, electric power, rolled steel, mechanical products, cement, and logs. It also lays down specific measures such as giving priority to drifting and pit construction in the extraction industry, operating thermal power plants at full capacity, conserving dam water at hydropower stations, and ensuring the smooth supply of fuel, raw materials, equipment and other supplies to factories and enterprises of the key industries, including power plants and metal and machine factories.

In view of their position and role in the nation's economic development, the decision sets forth the tasks for the Musan Mine Complex and the Komdok Mining Complex to develop more cutting sites, introduce modern mining facilities actively, and operate mining and hauling facilities at full capacity, thereby bringing about epoch-making gains in the output of ferrous ore concentrates and nonferrous metal ores.

The decision, putting forth volumes of railway freight to be transported this year, stressed the need for fulfilling the quotas without a hitch. It notes:

The proportions of tie-up-style train operations and concentrated transport should be increased by closely planning and coordinating the organization and management of railway transport. Strict discipline and order will be established in railway operations to cut the stoppage time at stations along the line, ensure accident-free, punctual operations, and shorten the turnaround time. Efforts for heavy-duty railways should be stepped up through increased production of eight-cylinder electric locomotives and 100-ton freight cars. Also, other sectors of the people's economy must ensure, on a timely and unconditional basis, the supply of rolled steel needed for the production and repair of rolling stock, as well as materials and supplies necessary for railway operations.

The decision lists programmatic tasks facing the nation in developing the chemical industry, in increasing production drastically in the rural economy and light industry sectors, in accelerating vigorously the construction of the Sariwon potassic fertilizer complex, the 9 October integrated steel mill, power plants and other construction projects—which will strengthen the chuche quality of the people's economy, and are of pivotal significance in achieving the major goals of the Third 7-Year Plan—and in building more housing units.

In view of the importance of agricultural production in meeting the people's demands for food, clothing, and shelter even more satisfactorily, the decision stresses the need for epoch-making increases in the grain output, and diversifying the rural economy by firmly adhering to the Thesis on the Socialist Agrarian Question and the chuche farming method. At the same time, the decision puts forth pertinent measures to ensure that emphasis is laid on top-soil work to improve land under cultivation, drainage works to remove stagnant water, construction of greenhouses for vegetables, and the production of microelement and land-ameliorating fertilizers, as well as nitrogenous, phosphatic, and potassic fertilizers.

The decision, calling for further increases in the production of export goods to further develop the nation's foreign trade, presents tasks for branches and regions playing a major role in the production of export goods to accomplish.

The decision notes that it is an important way for successfully fulfilling the 1991 people's economy development plan to straighten out economic organization work and production management as required by the Taean work system, and to organize and launch vigorously the increased production and conservation struggles and technological innovation movements. It then points out:

Functionaries must go down to the base levels and carry out political work in a substantial manner, driving the announced plans home to the producer masses. Committees, ministries, and relevant agencies must conduct creditably the work to search and mobilize reserves, and the work to dovetail details for the successful fulfillment of the 1991 people's economy development plan. Strict order should be established for materials and supplies to be supplied in accordance with the plans and contracts; regulations of cooperative production should be strengthened. All the sectors and units must intensify the mass technological innovation drive, step up the work to remodel and modernize backward facilities and production processes, and widely introduce advanced scientific, technological achievements. They must also be correct and precise with the work of appraising fulfillment of the cost plans as well as that of the production plans.

The 1991 people's economy development plan is of important significance in bringing on a new upswing in the socialist construction, thereby capturing the loftier heights of socialism.

Functionaries and the working people in all the sectors of the people's economy, let us continue to move forward dynamically with firm confidence in victory, holding aloft the New Year's address of the great leader Comrade Kim Il-song, following the sagacious leadership of the dear Comrade Kim Chong-il, and by doing so, brilliantly fulfill the 1991 people's economy development plans, and positively contribute to further strengthening the power of our self-dependent economy, to enriching, strengthening, and developing our country unceasingly, and to further improving the living standards of our people.

* Priority Economic Sectors' Development Urged

912C0135A Pyongyang MINJU CHOSON in Korean 15 Jan 91 p 2

[By reporter Chong Kyong-no: "To Rapidly Develop Priority Sectors Is the Key To Regularizing Production at High Levels in the Present Period"]

[Text] Our people, now on the new year's march, are faced with the militant task to accelerate the socialist economic construction even more vigorously holding aloft the New Year's address of our great leader. An important question in this respect is how we develop the priority sectors of the people's economy rapidly.

The great leader Comrade Kim Il-song taught:

"To rapidly develop the priority sectors of the people's economy is an important requirement in increasing the power of the self-dependent national economy. In the present period, it is the key to regularizing production at high levels."

This guideline explicated by our great leader is based on scientific analyses of the inevitable demands of the developing socialist economy and the present conditions of economic construction in our country. It is a correct guideline.

To rapidly develop the priority sectors is an essential demand of the developing economy, and serves as a firm guarantee for a more powerful self-dependent national economy.

Only by rapidly developing the extraction industry, electric power industry, and railway transportation can we place these sectors solidly ahead of all other sectors of the people's economy, and create reliable bases for raw materials, fuel, and power to make the mighty self-dependent national economy even mightier unceasingly.

Our party therefore set forth as its invariable guideline to place these priority sectors ahead of all other sectors of the people's economy, putting great efforts into the developments of the extraction and electric power industries and railway transportation.

First of all, we owe to the correct economic policy and sagacious leadership of our party, in giving a firm precedence to the priority sectors, the fact that during the past period, uninterrupted upsurges could be achieved in production and construction and the nation's economic power strengthened extraordinarily.

Today our socialist economy, having reached a high stage of development, urgently demands that we develop the priority sectors even more rapidly. How we resolve the question of maintaining the high speed and sustained upsurge of economic development firmly and continuously, or the question of further strengthening the chuche quality and self-dependence of the people's economy, largely depends on how rapidly we develop the priority sectors like the extraction and electric power industries and railway transportation. In the present period in particular, developing the priority sectors rapidly stands out as the most important and highest priority task in regularizing production at high levels and, thereby, in getting the existing economic foundations to prove their worth, and bringing into full play the superiority and vitality of the socialist economic system in our country.

Precisely in our rapidly developing the extraction and electric power industries, as well as railway transportation, lies the key to regularizing production at high levels in the present period.

To rapidly develop the priority sectors is an extremely important task linked directly and closely to the basic factors that come to work in regularizing production.

The work of regularizing production at high levels in factories and enterprises is affected by a variety of factors.

Our great leader taught a long time ago that if production is to be regularized, first the work of ensuring the necessary materials and supplies must be done well, second, cooperative production must be organized well, and third, transportation must be organized well. To ensure the necessary materials and supplies, and organize cooperative production and transportation well, are the basic factors involved in regularizing production. They are also the key questions that have to be resolved in regularizing production.

The working people in our country are in a good condition ideologically and morally, while the potential resources of the existing economic foundations are huge. Under these conditions, if functionaries only do well the work of ensuring the necessary materials and supplies, and organize cooperative production and transportation effectively, it is possible to regularize production constantly at high levels at factories and enterprises. Needless to say, also at work in regularizing production would be a variety of other factors, including funding, facility maintenance, and manpower. They cannot have a serious impact, however, as long as the key factors are kept under good control.

To rapidly develop the priority sectors is an urgent question directly linked to the key factors that have a decisive impact on regularizing production at high levels in the present period—namely, the work of ensuring the necessary materials and supplies, and organizing cooperative production and transportation. Therefore, only by rapidly developing the extraction and electric power industries and railway transportation, will it be possible to satisfactorily ensure raw materials, fuel, and power for the people's economy, thereby creating ample sources of materials and supplies for factories and enterprises, to get the closely knit cooperative production and transportation organizations to prove their worth, and to keep the upsurges in production and construction going uninterrupted.

We must put greater emphasis on the extraction industry and develop it more rapidly. Otherwise, it is impossible to produce coal and various kinds of mineral ores massively, and guarantee reliably the rapid development of the processing industries. There is not a single sector in the people's economy that does not use electricity nor that does not rely on railway transportation; therefore, only by rapidly developing the electric power industry and railway transportation can factories and enterprises keep their production facilities in full operation. Also, only by so doing can the goods thus produced be moved to their destinations on time, enabling the people's economy to maintain closer production ties between sectors and between factories or enterprises of the same sectors.

To rapidly develop the priority sectors is an extremely urgent question relating to the demands, both realistic and prospective, of the developing socialist economy in our country.

The economic foundations that have been created and put in place in our country are huge indeed. Their potential resources are inexhaustible indeed. Countless factories and enterprises have been built anew under the sagacious leadership of the party and the leader. As a result, industries relying on domestically available resources have been created and, at the same time, industrial intrasector structures have been completed and their self-dependence and chuche quality strengthened extraordinarily.

As the party guideline of technological revolution and the chucheization-modernization-scientization line of the people's economy show brilliant results, modernization has reached extraordinarily high levels in all the sectors of the national economy.

The scale of the economy has expanded enormously, its intrasector relationships growing extremely complex and technical equipment basically reaching up-to-date scientific, technological levels. As a result, there have been incomparably rapid increases in the per-unit-of-time consumption of raw materials, fuel, and power in each sector of the people's economy. The qualitative demands for them have grown dramatically high, while the transportation demands have also increased tremendously. Under these circumstances, to develop the extraction and electric power industries and railway transportation rapidly has become the key to regularizing production at high levels in all the sectors of the people's economy in the present period.

To rapidly develop the priority sectors is closely related to the prospective demands of the developing socialist economy.

This is the fifth year of the Third 7-Year Plan. Rapidly developing the priority sectors is of pivotal significance in reaching the great goals of the long-term plan, as well as in accomplishing this year's economic tasks. This has something to do with the characteristics of these sectors, to a significant degree.

Rapid development of the extraction industry requires not only vast funding but also long periods of time—several times longer compared with the processing industries—and a great deal of labor because it involves struggles with nature like geological surveying, pit construction, drifting, and stripping that all have to be given priority. One may say virtually the same thing about development of the electric power industry and railway transportation. Facts show that rapidly developing the priority sectors is an extremely urgent task not only in view of the immediate but also the prospective demands. The extraction industry is the first process of industry; in our country, electricity is the primary source of power for production, and railways are a preceding process of the people's economy.

Precisely in these points—in putting greater emphasis on the priority sectors, and giving them firm precedence over other sectors—lies the guarantee for regularizing production at high levels in the present period, and for successfully reaching the great prospective goals of the socialist economic construction.

All the functionaries and working people should be deeply aware of, and carry through thoroughly, the party's intent of rapidly developing the priority sectors and, by so doing, ensure that new innovations are achieved in these sectors.

Important in this connection is for functionaries to have a correct viewpoint and position concerning development of the priority sectors.

With the deep awareness that it is impossible to develop any sector of the people's economy without first developing the priority sectors, functionaries should closely plan and coordinate economic organizational work under the principle of attaching priority importance to the developments of the extraction and electric power industries and railway transportation, and subordinating everything else to it. When they are given top priority all the time, and when the planning work, production and technological guidance work, and the work to ensure materials and supplies are closely coordinated and pushed ahead actively, new advances and innovations will come in these sectors.

It is also important that the respective priority sectors carry through the party's policy demands thoroughly.

The extraction industry must definitely give priority to geological surveying, drifting and stripping, and carry through without fail the party's policy intents for mass cutting and mass processing.

The electric power industry must accelerate more vigorously the construction of power plants, embodying brilliantly the party guideline on concentrated construction. It must also operate the existing power generating facilities at full capacity. The railway transportation sector must continue its efforts for heavy-duty railway facilities and, at the same time, closely plan and coordinate transportation organization and management.

All other sectors of the people's economy must produce and deliver equipment, parts, materials, and supplies needed in the sectors of the extraction and electric power industries and railway transportation on a timely and top priority basis, stepping up their material and technical support vigorously.

Thus, all the sectors of the people's economy will continue to regularize production at high levels, thereby bringing the existing economic foundations to prove their worth, demonstrating even more powerfully the firmness and the invincible might of the self-dependent socialist national economy of our country.

* Party Exalted by Expansion of Power Station

912C0092 Pyongyang NODONG SINMUN in Korean 23 Dec 90 p 1

[Article by staff reporter Kil Se-chik: "Dedication Ceremonies Held for the Yesong River Power Station No. 5"]

[Text] At a time when all the party members and workers throughout the country have brought to a close this meaningful year, filled with pride at having achieved a proud victory in this, the first year of the decade of the 1990's, and are hastening every preparation for realizing another great leap forward, the Yesong River Power Station No. 5 was completed.

The Yesong River Power Station No. 5, which was completed this year, is another proud creation of the era of the WPK [Workers Party of Korea] that was erected in the 1990's under the wise leadership of the great leader and the party.

The great leader Comrade Kim Il-song taught as follows:

"Builders and soldiers of the KPA [Korean People's Army] who participated in the important construction targets with high awareness as builders in charge of the main attack front, which has key significance in socialist construction, must create a new 'Speed of the 90's' in construction, displaying creative positivism and mass heroism."

KPA soldiers and builders who rushed to the construction of the Yesong River Power Station No. 5, upholding the grand design of the great leader and the militant appeal of the party, have chalked up shining feats of labor. With lofty revolutionary spirit and militancy they launched a devoted struggle and brilliantly guaranteed the completion of the power station.

Completing the Yesong River Power Station No. 5 has further increased the country's electricity generation, and greatly contributed to developing the rural economy of South Hwanghae Province by satisfactorily solving the water problem.

The dedication ceremonies of the Yesong River Power Station No. 5 were held on 22 December at the site.

Soldier-builders, support personnel, and agricultural workers of South Hwanghae Province, with tremendous pride and self-confidence at having presented a proud labor gift to the party in the first year of the 1990's, packed the site of the dedication activities.

In each person's breast seethed feelings of boundless admiration and gratitude toward the great leader and the dear Comrade Kim Chong-il, who had unfolded the grand plan to build up yet another proud creation in a short period of time, and gave them incomparable courage and valor, leading them each step of the way along the one road of victory.

Participating in the dedication ceremonies were Comrade Yon Hyong-muk, member of the Politburo of the WPK and premier of the State Administration Council (SAC); Comrade So Kwan-hi, secretary of the Central Committee; Comrade Kim Chang-chu, vice premier of the SAC; Kim Won-chin, chairman of the Agricultural Commission; Paek Pom-su, responsible secretary of the South Hwanghae provincial party and concurrently chairman of the South Hwanghae provincial people's committee; Kim Chang-sik, chairman of the South Hwanghae provincial administrative and economic guidance committee; Ho Pok-tok, chairman of the South Hwanghae Province Rural Economic Committee; and other functionaries of the sector concerned, soldier-builders, workers of North and South Hwanghae Provinces, and other workers.

At the dedication ceremonies, Comrade Yon Hyong-muk conveyed a letter of appreciation sent by the Central Committee of the WPK to the soldiers, builders, and personnel of the KPA Comrade Chong Ki-yong Unit and the Comrade Han Che-sun Unit, who took part in the construction of the Yesong River Power Station No. 5, and performed great feats of labor.

The appreciation letter from the Central Committee said that it was sending warm thanks to the soldiers, builders, and personnel who successfully completed the construction of the Yesong River Power Station No. 5, who demonstrated mass heroism and patriotic dedication, cherishing the great glory of participating in the sacred struggle to strengthen and develop the fatherland, and to achieve the happiness of the people.

The letter of appreciation pointed out that, from the first day they launched into construction of the Yesong River Power Station No. 5, the KPA soldiers—holding high the instructions of the great leader Comrade Kim Il-song, and having the firm determination that "If the party decides, we will act" and demonstrating heroism and boldness—brilliantly completed in the short space of a little more than one year an enormous construction project that should have taken three years, thereby contributing positively to increasing the country's electricity generation, and developing the rural economy of South Hwanghae Province.

The letter of appreciation noted that soldiers and builders, with indomitable esprit and stubborn military elan, courageously triumphed over difficulties they encountered and unfavorable conditions while successfully accomplishing the difficult construction, which included digging through deep mud beds, accomplishing over 1.5 million cubic meters of earth works, mixing over 100,000 cubic meters of concrete, building dikes, and assembling several sluices.

The letter of appreciation noted that the proud results achieved in this construction battle showed clearly the high spirit of loyalty and moral qualities of the soldiers, who are protecting and defending with their lives the party and the leader, and thoroughly implementing the duties assigned by the party under the principle of absoluteness and unconditionality.

The letter of appreciation pointed out that, thanks to the fact that design functionaries of the Pyongyang Power Design Office and the party members and workers of the Hydroelectric Power Plant Facilities Assembly Complex, assuming the standpoint of the master in taking on, together with the soldiers, the responsibility for the power plant construction, placed firm priority on carrying out the design and satisfactorily guaranteed the manufacture and assembly of the facilities, it became possible to successfully complete the construction of the power plant.

The letter of appreciation pointed out that [the Central Committee] firmly believed that by the soldiers rallying about the party with a single-minded unity, and further carrying out well the revolutionary duties assigned to them, they would, in the future too, add luster to their glory as a hard-working unit, and brilliantly repay the great trust and expectations of the party.

The dedication ceremonies continued with the presentation of the dedication report by KPA officer Yi Tong-chun.

The reporter said that the successful completion of the power plant could not even be thought of apart from the wise leadership of the great leader and the dear Comrade Kim Chong-il.

He said that the great leader and the dear Comrade Kim Chong-il had given them the glorious task of building the Yesong River Power Plant No. 5 and had them guarantee on a priority basis all conditions and means to vigorously push the construction forward. He pridefully stressed that the great leader was happier than anyone else when he received the report stating that the spillway construction was finished, and sent them lavish congratulations, calling it an unprecedented miracle.

He pointed out that thanks to the great leader and the dear Comrade Kim Chong-il's wise leadership and great solicitude, the soldiers and builders brilliantly built the Yesong River Power Station No. 5 in a short period of time.

The reporter said that at this meaningful site, where the completion of the power plant was proclaimed to the world, the hearts of the soldiers, builders, and personnel are filled with constant loyalty to our party, the great leader of our country Comrade Kim Il-song, and the dear Comrade Kim Chong-il, who always lead our people along the one road to victory and glory, and to them we pay our greatest homage and give our warmest thanks.

The reporter stressed that the completion of the construction of the Yesong River Power Plant No. 5 in a short period of time is a dynamic demonstration of our country's socialist system and the self-reliant national economy, which is continuously prospering and developing under the revolutionary spirit of our people, who are vigorously accelerating the march of the first year of the 1990's, rallied about the party and the leader in single-minded solidarity, under the banner of chuche.

Next Comrade Yon Hyong-muk cut the red ribbon hanging from the entrance to the dam.

After the dedication ceremonies were completed, the participants walked about the dam of the Yesong River Power Station No. 5 and activated the sluice facilities.

* Measuring, Instrumentation System Stressed

912C0139A Pyongyang NODONG SINMUN in Korean 19 Jan 91 p 3

[Article by reporter Kim Sang-chol: "Correct Introduction of a Measurement and Instrumentation System Is an Important Means for Scientizing Management"]

[Text] In his New Year's address, the great leader Comrade Kim Il-song set forth for our functionaries a task to manage and operate the economy in a scientific and rational manner to suit the demands of the Taean work system, and particularly, to conduct economic organizational work in a planned and coordinated manner on the principle of improving economic efficiency and the quality of products. One of the important problems arising in implementing this task at this moment is to perform the work of measurement and instrumentation well.

The great leader Comrade Kim Il-song taught as follows:

"In all sectors of the national economy, we must raise the entire sphere of managing operation onto a high scientific foundation by conducting economic organizational work well to suit the demands of the objective laws of economy, correctly establishing a measurement and instrumentation system, making accurate economic computations, and widely introducing computers, industrial television, and other modern technological devices in managing operations." ("Collection of Writings of Kim Il-song," Volume 35, page 329)

By a measurement and instrumentation system is meant the totality of standards and systems by which the processes of production, distribution, exchange, and consumption of social products are precisely measured, computed, and controlled by various means of measurement. The means of measurement refer to measuring instruments and apparatus used in computing and measuring various physical quantities. Measuring work is a people's positive activity to compute the quantity and quality of diverse objects and the processes of change in these objects by means of various measuring instruments, and to express the results on the basis of various units of measurement. In order for measuring work of this nature to be performed exactly in accordance with the desires and demands of the people, it is necessary to set certain rules and detailed standards, and to perform the work in accordance with these rules and standards. Only by establishing a correct measurement and instrumentation system is it possible to scientize management and strengthen the computation and control of economic activities, thus accelerating the speed and improving the quality of production and construction while economizing on the input of materials.

Correct establishment of a system of measurement and instrumentation constitutes an important guarantee for scientizing managing operations.

This is because first of all, establishment of a a measurement and instrumentation system makes it possible to improve the quality of products by carrying out production in such a way as to suit scientific and technological requirements.

Carrying out production to suit scientific and technological requirements means carrying out production in such a way as to meet the production and technological standards. To carry out modern production to suit the scientific and technological requirements, it is imperative to meet the standard requirements for equipment; accurately compute, measure, and analyze materials and supplies used; and in particular, meet various technical requirements, such as the computation of the blending ratios of raw materials, and of the temperature, moisture, pressure, speed, electric voltage, electric current, etc., in the process of production and insure the accuracy and refinement of measurement in the processing of products. The more automated and robotized production becomes, the more advanced technological indicators, such as high heat, high pressure, ultra high pressure, low temperature, ultra low temperature, low pressure, and so on, are used in the process of production. These scientific and technological requirements can only be solved through the work of measurement and instrumentation.

Only through strengthening the work of measurement and instrumentation, and correctly establishing a system of measurement and instrumentation is it possible to improve the quality of products by providing proper standard technological conditions, and on this basis, carrying out modern production in a scientific manner to suit its technological and engineering characteristics. Only by strengthening the work of measurement and instrumentation is it possible to insure an accurate testing and analysis in the process of production, and to improve the quality of production through the process of conducting a correct inspection of the products.

Thus, the correct establishment of a measurement and instrumentation system plays an important role in ensuring the highest standards of products. If we produce better quality products by improving the quality of production and use them longer and for more useful purposes, it will have the same effect as having produced a larger quantity of the same products than before; and at the same time, it will mean economy on the use of equipment, raw materials, and supplies, and further signify more efficient management.

Another reason the correct establishment of a measurement and instrumentation system constitutes an important guarantee for scientizing managerial operation is that such a system provides an important means for lowering costs and increasing profits by enabling correct economic computing.

Cutting the costs and increasing profits enables us to produce more with a smaller fund, and thus economize on the use of operational funds. Economic accounting—with enterprise accounting, book keeping, statistical computation, and planning computation as its content—will increase in volume as the scale of production grows, as the links between different sectors become closer, and as economic operations become more diversified. The question of ensuring accuracy in economic computation depends entirely on the way the work of measurement and instrumentation is carried out. This is because the objectivity and accuracy of initial data, which form the foundation for the beginning of economic computation, are determined by the work of measurement and instrumentation.

The more appropriate the system of measurement and instrumentation that has been established, the more accurate the initial data obtained, the greater the accuracy of economic computation becomes. Therefore, establishing a correct system of measurement and instrumentation makes it possible to improve the scientific quality of economic computation, and to carry out economic operations in a scientific manner, thereby providing an important means for achieving maximum economy in the use of operational funds through the process of lowering the costs constantly and increasing profits.

Still another reason the correct establishment of a measurement and instrumentation system is an important guarantee for scientizing economic operation, is that this system plays a role as a means of control over the use of equipment, raw materials, supplies, and labor.

To take a correct stand and attitude toward the work of measurement and instrumentation, and to participate in it as befitting the master is a decisive condition for establishing a measurement and instrumentation system. Success in every task is determined by the attitude of the people involved, the leading factor in the task. The leading factor in the work of measurement and instrumentation is the functionaries and workers involved, not modern measuring instruments and apparatus. It is functionaries and workers who build modern measuring instruments and apparatus, renovate them constantly, and continually develop and perfect methods of measurement and instrumentation. It follows that whether or not a correct measurement and instrumentation system is established depends wholly on how functionaries and workers clearly understand the importance of the task of establishing a correct measurement and instrumentation system in scientizing business operations, and participate in this task as befitting the master. Only when functionaries and workers take a correct stance and attitude toward the work of measurement and instrumentation, and participate in it as befitting the master, is it possible to thoroughly do away with the outmoded attitude and view that they can carry out production and economic operations by the rule of thumb and experience without measurement and instrumentation, and to establish a correct measurement and instrumentation system.

Currently, demand for modern measuring instruments and apparatus is very high.

Particularly the current rapid development of science and technology constantly gives rise to innumerable occasions requiring the use of measuring instruments and apparatus. To carry out the necessary measurement, we need suitable measuring instruments and apparatus. Only when we build new production bases specializing in specific measuring instruments in a foresighted manner, while producing modern, reliable measuring instruments in greater quantities by effectively utilizing existing production bases, will it be possible to satisfactorily meet the growing demand for measuring instruments and apparatus, and to establish a correct measurement and instrumentation system. Only through the development of the science of instrumentation in particular is it possible to carry out research and develop new modern measuring instruments and apparatus, thus satisfying the demand for measuring instrumentation required in actual production and in the development of science and technology. At the same time, we must fix repair bases well and carry out repair and maintenance work on measuring instruments on a regular basis so that they may be used more effectively in actual production.

To establish a scientific system of measurement and instrumentation, we need to work out and perfect rules and detailed standards for tasks in the domain of measurement and instrumentation, and make all producers observe these rules and detailed standards thoroughly. Only then will it be possible to economize on the use of raw materials and supplies, and scientize managing operations.

In strengthening the work of measurement and instrumentation, it is important to establish a correct guidance and control system, and to constantly improve and strengthen it. Only by establishing a correct guidance and control system is it possible to successfully solve difficult and complex problems arising in the work of measurement and instrumentation by providing proper guidance in the entire work of measurement and instrumentation. Establishing a correct guidance and control system for the work of measurement and instrumentation is an essential requirement in establishing a system of unitarily organizing and commanding the production, distribution, and inspection of measuring instruments, as well as the conduct of accurate measurement and the exercise of correct supervision and control, as an integrated process. In establishing a guidance and control system, it is important to establish an orderly operating system from the center down to base-level units, and to constantly develop it and carry out planning work well so that all aspects of the work of measurement and instrumentation—such as those relating to the demand and supply, production and utilization, and inspection and repair of measuring instruments, the training of measuring functionaries, and supervision and control—may proceed as an integrated process according to a unitary plan.

Thanks to the sagacious leadership of the party and the leader, a solid material foundation for constantly developing the work of measurement and instrumentation, as well as all conditions and possibilities for establishing a correct measurement and instrumentation system, is fully in place in our country now.

The problem is from what viewpoint and stand our functionaries will conduct the work of measuring and instrumentation work, and how well they will carry out organizational and command work aimed at establishing a correct work of measurement and instrumentation.

Thirty years have passed since the great leader founded the Taean work method, marking the beginning of new socialist economic management.

Realizing that the key to scientizing managerial operation lies in providing proper guidance and control over the economy, and constantly deepening and developing the work of establishing a correct measurement and instrumentation system, all functionaries should thoroughly establish a measurement and instrumentation system in all aspects of state economic life. In so doing, they should produce a great variety of goods in larger quantities and in better quality with no additional equipment, materials, and labor, thereby constantly improving the people's material and cultural standard of life, and giving fuller play to the superiority of our socialist system.

South Korea

Ship Said To Carry DPRK-Made Scuds to Syria

SK0703014591 Seoul KBS-1 Television Network in Korean 1200 GMT 6 Mar 91

[Text] CORRIERE DELLA SERA, an Italian newspaper, reported today that a Syrian-registered cargo ship loaded with North Korean- made Scud missiles is sailing to Syria after leaving North Korea.

The newspaper, quoting Lebanese sources, reported that these missiles, manufactured at Syrian request, have a range of 600 kilometers and can be loaded with biological and chemical weapons.

Foreign Minister Discusses U.S., China Ties

SK0703030491 Seoul THE KOREA TIMES in English 7 Mar 91 p 2

[Text] Foreign Minister Yi Sang-ok called for the introduction of an "early-warning system" between Korea and the United States to prevent unnecessary friction and misunderstandings.

As the guest speaker at a luncheon meeting at the Hyatt Hotel hosted by the Korean council on Foreign Relations led by Yun Sok-hun, Minister Yi said that the government will put its primary diplomatic goal on consolidating friendly relations with the United States "on the basis of the strong bond of our alliance."

"In trade relations with the United States, as with any other countries, a give-and-take attitude should be the guiding principle under which we will fulfill the agreed undertakings in good faith," Minister Yi said.

He went on, "While increasing the transparency of our trade policy and system, we are going to set up an early-warning system in problematic areas so that we could prevent unnecessary friction and misunderstandings."

"We must not ignore or evade differences of opinion which would inevitably arise in the course of qualitative and quantitative progress of bilateral relations," Foreign Minister Yi said.

Yi said that the government will also give substance to its "northern diplomacy" which has achieved remarkable success.

For that end, he said that the government will redouble its diplomatic efforts to realize its entry into the United Nations and the normalization of relations with the People's Republic of China at an early date.

"As a responsible member of the international community under a new international order characterized by reconciliation and cooperation, the Republic of Korea is expected to play a significant role in promoting international cooperation and solving international disputes as well. To this end, I believe that Korea should be admitted to the United Nations pursuant to the principle of universality as soon as possible," Yi said.

The foreign minister stated that the People's Republic of China has thus far shown some hesitation toward the rapid progress of relations with Korea in view of its special ties with North Korea.

Recalling the fact that two-way trade between the two countries recorded $3.8 billion last year which made each other the seventh largest trading partner, Minister Yi said, "It would not be in the interests of both the PRC and Korea if unlimited potential for the development of inter-complimentary relations is hampered by the absence of a diplomatic relationship."

Exports to USSR Slowed Due to Ship Shortage

SK0603074191 Seoul YONHAP in English 0656 GMT 6 Mar 91

[Text] Seoul, March 6 (YONHAP)—A shortage of containers is holding up shipments from South Korea to the Soviet Union, the Korea Foreign Trade Association (KFTA) said Wednesday.

As of Monday, six trading companies had been unable to ship 700 TEUs (20-foot equivalent units) of goods to the Soviet Union and the cargo was piled up on the dockside in Pusan waiting for containers, a KFTA spokesman said.

Korean companies were supposed to ship 770 TEUs a month to the communist country, but only 500 TEUs of empty containers were available, he said.

Navix line, a Japan-Soviet shipping company which has the exclusive license between Pusan on Korea's south coast and Vostochniy in the Soviet Far East, has shifted containers from the route to cope with a sharp rise in Japanese merchandise exports to East European countries since the cease-fire in the Persian Gulf, he said.

Korean firms fear the bottleneck might cause panic if Korea implements an offer to give the Soviet Union with 3 billion U.S. dollars of economic cooperation fund, he said. Korean traders already have orders from Soviet buyers contingent upon the aid.

Seoul should ask Moscow to send more containers and ships so that the export backlog can be moved, he said.

UN Forces Investigate Alleged Firing at DMZ

SK0703100891 Seoul Domestic Service in Korean 0900 GMT 7 Mar 91

[Text] Today, the UN Forces Command revealed that the North Korean claim that three shots were fired by antitank guns towards the North side in the Demilitarized Zone [DMZ] on the eastern front at around 1430 on the afternoon of 4 March differs from the facts.

The UN Forces Command revealed that since Pyongyang broadcasting continuously denounced this as a provocative act in the DMZ, that since Beijing and Soviet broadcastings also reported this quoting the Pyongyang side, and that since the Pyongyang side sent a letter of protest through the Military Armistice Commission, the UN Forces Command formed a special investigating team that consisted of the personnel of Korea, the United States, and Canada on 5 March. As a result of the investigation, it was found that the claim by the North side that antitank guns were fired was only a fabrication.

The UN Forces Command explained that an old explosive exploded due to falling rocks since it was thawing season at the time the North side claimed that antitank guns were fired towards the eastern front. It also revealed that a letter of protest regarding the North side's fabrication was delivered to the North side this afternoon.

Professor Questioned on Passing North Letter

SK0703023991 Seoul YONHAP in English 0124 GMT 7 Mar 91

[Text] Seoul, March 7 (YONHAP)—A noted philosophy professor suspected of passing a letter from North Korea to a jailed clergyman was being questioned Wednesday by the Agency for National Security Planning [NSP].

Yi Sam-yol of Sungsil University is suspected of receiving a letter from a North Korean pastor at an international protestant conference in Japan last July and giving it to the Rev. Hong Kun-su, NSP said. The letter reportedly asks cooperation in unifying the Korean Peninsula as well as a Christian theory. [sentence as received]

Hong, 54, was arrested Feb. 20 in connection with his unauthorized contact with North Koreans abroad in violation of the National Security Law.

Yi, 50, is also suspected of contacting North Koreans without government permission in a world missionary convention held in the United States in May 1987, according the NSP.

The National Security Law bans all forms of contact with North Koreans without government permission.

DLP Members Accused of 'Destroying Evidence'

SK0703100691 Seoul YONHAP in English 0935 GMT 7 Mar 91

[Text] Seoul, March 7 (YONHAP)—The splinter Democratic Party has accused three co-chairmen and Rep. So Chong-won of the ruling Democratic Liberal Party [DLP] of destroying evidence and instigation in connection with the forgery of a DLP document related to the Suso housing scandal.

The accusation, submitted to the Supreme Prosecutor's Office on Thursday, says DLP Executive Chairman Kim Yong-sam and two other co-chairmen should also be questioned on their role behind the party's decision to approve the appeal by housing cooperatives for privileged allocation of land.

It said So forged the document, which was sent to the prosecution, by deleting lines which stated the three co-chairmen's approval of the appeal.

It also accused "many and unspecified" journalists of taking bribes from the arrested Hanbo Group chairman, who asked them to be quiet or tone down their reports on the irregularities.

Lawmakers Discuss Presidential Candidates

SK0703093291 Seoul SEOUL SINMUN in Korean 6 Mar 91 p 5

[From the "Stroll on the Political Avenue" column]

[Text] It behooves us to pay attention to the earnest move made by some lawmakers who are under the democratic faction group within the Democratic Liberal Party [DLP], to designate at an early date Kim Yong-sam, executive chairman of the DLP, as the next DLP presidential candidate.

Lawmakers Paek Nam-chi, Sin Ha-chol, Yu Sung-kyu, Choe Chong-sik, O Kyong-ui, Kim Wun-hwan, Pak Kyong-su as well as lawmakers from the democratic faction led by Choe Hyong-u, held a breakfast meeting at the "K" hotel on the afternoon of 5 March and discussed issues on nominating the next presidential candidate. After this, the lawmakers of the democratic faction, who were elected from the national constituency, decided to hold their meeting on 6 March. Chairmen of the local parties, who are not lawmakers, plan to separately hold their meeting soon as well.

In connection with this, the lawmaker Choe Hyong-u said: The plan of the next supreme power of the state should be clearly made so that the party can be stable with the enjoyment of the people's confidence. The candidate of the next supreme power should be determined by either competition or nomination at the special conventional session of which we should convene before or after the regular session of the National Assembly this year.

He also continued: The majority of the lawmakers of the democratic faction will agree on it. I will continue to hold the meeting of the democratic faction to collect public opinion.

Meanwhile, it has been learned that Yi In-che, lawmaker of the democratic faction, will replace So Chong-won, chief of the third policy coordination section, who suffered a slip of the tongue during the Suso scandal.

Weapons Procurement System, Problems Viewed

SK0703051991 Seoul WOLGAN CHOSON in Korean Feb 91 pp 290-304

[Article by Yu Yong-won: "The Inside Story of Korean Forces' Weapons Imports"]

[Text]

Korea: The Golden Market for Weapons

In May 1990, the fourth "Aerospace Symposium and Aviation Industry Exhibition" managed by the Republic of Korea Air Force [ROKAF] opened at the Korea Exhibition [KOEX] hall in Samsong-tong, Kangnam-ku. Approximately 40 defense companies from the United States and Europe attended the symposium, making the gathering a great success. Unlike previous years, European companies such as "British Aerospace," "Tasso," "Thomson-CSF" attracted much attention by their attendance.

The European companies' enthusiastic participation was due to their perception of Korea as a "golden market for weapons." Last year alone Korea imported approximately $1.72 billion worth of weapons from overseas. Plans are to invest $24.3 billion, beginning from last year until 1995 in the force improvement program.

The scale of the Korean force improvement program is enough to make defense industries, facing difficulties due to the recent arms reduction mood throughout the world, slaver over the prospects. Moreover, Korea's weapons' selections are judged to have a major influence on Southeast Asia countries, such as Malaysia or Singapore, as well as other Third World countries. Defense companies are flocking to Korea because of these prospects.

The fiercest competition recently has been over the next-generation helicopter (HX) program and the short-range surface-to-air missile program. The helicopter program currently under way is divided into large, medium-sized, and small helicopters, with the scale of the project amounting to $2 billion. The program was promoted both to provide modern helicopters to the ROK forces as well as to develop the domestic aviation industry. A decision has already been made on the large helicopter, while U.S. Bell Corporation and Sikorsky are in competition over the medium size.

Within the small helicopter sector, where the fiercest competition exists, there is a close race between four candidates, including the AS355 (France Aerospatiale), the A109 (Italy Agusta), the BO-105 (West Germany MBB) [Messerschmitt-Bolkow-Blohm], and the 406CS (U.S. Bell). The short-range surface-to-air missile program calls for the importation of portable missiles that can be carried by infantrymen to attack aircraft. The British Javelin and the U.S. Stinger have already been imported during the first and second stages of the program. In the most recent stage of the program, the French company Mistral joins the other two as candidates.

As competition heats up, the lobbying battle heats up, too, as foreign and domestic brokers have attempted contacting Korean military attaches dispatched to the brokers' own country as well as individuals of the Ministry of National Defense and Chongwadae [presidential offices]. One former attache notes, "In the past few years, the number of European defense companies who have been trying to meet with persons involved in weapons procurement has increased markedly." This is an indication of what the current environment in the Korean arms market is like.

The number of domestic arms brokers is around 250. These brokers also play a major role in the lobbying war. Arms brokers, a large number of whom came from the military, attempt to meet with those responsible for decisionmaking in arms purchases, using their past school and military connections.

High-level officials, such as state leaders from countries whose weapons are candidates for selection, are increasingly taking the lead in requesting that weapons made by their own country be purchased. Such backing was at work behind-the-scenes in the importation of the British-produced Hawk trainer aircraft that was chosen early in 1990.

Choice of Trainer Aircraft Changes in Final Negotiating Stages

The Italian MB339 and the British Hawk were competing in the trainer aircraft program. It was decided that the MB339 was superior; however, the choice was changed at the last moment. Within the industry, President No Tae-u's visit to the United Kingdom in November 1989 is not seen as being unrelated to the decision to change aircraft.

The United States also launched a fierce lobbying battle in the case of the recently selected antisubmarine early warning aircraft. France had put up candidates for Korea's submarine program as well as for its antisubmarine helicopter programs. Having failed to be selected in both programs, France concentrated all efforts on the antisubmarine early warning aircraft program with its back against the wall.

When Yi Sang-hun, former minister of national defense, visited France in July 1990, high-ranking French officials requested that Korea purchase the Atlantique II aircraft. During Yi's visit, a "written agreement for the exchange of defense technology" was concluded. This was rashly diagnosed by the media at the time as Yi's consent to acquire the French antisubmarine early warning aircraft.

One expert on Korea's military relations with France noted, "This written agreement, while suggesting that France and Korea exchange defense industry technology, lacked specific items of agreement concerning the importation of weapons."

At the time, a world-wide authoritative magazine specializing in military affairs reported that Korea's acquisition of the Atlantique II was almost certain, and even the Ministry of National Defense preferred the Atlantique II to the U.S. P3C. However, when the dice were rolled in November 1990, the P3C came up. Analysts say that this decision was a political one that took into consideration U.S.-Korean relations.

It is natural that in a lobbying war, money soon follows. The Northrop scandal that erupted during the Fifth Republic is a good example of this. Northrop, the preeminent U.S. aviation company, was pushing sales to Korea of its newly developed F-20 aircraft. To do so, they provided $6.25 million of lobbying funds to

Koreans concerned with the project. When Korea did not purchase the aircraft, then the whole issue became a problem.

The F-20 was developed by Northrop as an improvement of its F5E, an aircraft designed for export to medium-sized and small countries, like Korea. However, as the F-20 had not actually been sold in any country, including the United States, the company's management difficulties were increasing. Korea's consideration of importing this aircraft, in accordance with instructions from the highest government level, disappeared when the F-20 fortunately [as published] crashed during a demonstration flight in Korea.

The Lesson of the MD 500 Helicopter

The F-20 also crashed in another country during a test flight: this was the decisive blow. Many people even now believe that if the F-20 had not crashed at that time, Korea would have purchased the aircraft. Whether it was political decisions over weapons importation or the "Northrop scandal," questions are raised over whether Korea is a "dupe," especially a "dupe of the United States," within the international weapons market. These suspicions increased toward the end of 1990 in connection with the next-generation fighter program [Korea Fighter Program] (KFP—also known as FX). U.S. McDonnell Douglas' demand for an extraordinary price increase prompted a reconsideration of the FX program.

U.S.-produced weapons occupy a position of absolute importance among ROK forces' weapons systems. From rifles to tanks, aircraft, and naval vessels, a great number of Korean weapons are either U.S.-made or weapons made with U.S. technology assistance. Because of this, problems emerge in maintenance, administration, and linking operations when European-made weapons are purchased. For example, even with the many problems with the next-generation fighter program, it would be difficult to change the source for the fighters to Europe and purchase either the French Mirage or the British Tornado.

It is also more expedient to use U.S. weapons, because Korean forces in reality follow U.S. doctrine. The stationing of U.S. Forces Korea [USFK] here and combined ROK-U.S. exercises, such as Team Spirit, are also factors that reinforce the position of U.S. weapons in the ROK forces.

The United States has been assisting in the ROK force improvement program not only through the sales of weapons to Korea but also through the transfer of weapons from USFK and technological assistance to the ROK defense industry. However, many instances have occurred where, using its monopolistic position in the Korean weapons market, the United States has been either high-handed or has been unable to satisfy Korea's demands.

The MD 500 helicopter is produced by Korea through assembling parts provided by the United States. This helicopter has failed to satisfy our requirements to the point that it has been subject to harsh criticism from concerned officials. Since this helicopter was originally designed as a small, civilian-use aircraft, numerous limitations exist as far as using it for transporting large numbers of troops or using it as an attack aircraft to be armed with missiles or rockets. Between 1976 and 1985, 219 of these aircraft were delivered to ROK forces according to a contract between Korean Air and U.S. Hughes (currently McDonnell Douglas Helicopter Company).

One reserve general officer pointed out the following problems with the program.

"Since the aircraft is too light, it lacks stability, and you cannot even conceive of flying it during inclement weather. Within the military, the whole experience is being treated as an object lesson of haphazardly importing weapons without sufficient prior study or planning.

According to an evaluation report on the force improvement plan (Yulgok program), there were 28 accidents up until 1985 (18 of these were machine defects). A total of seven people were killed and seven aircraft were completely destroyed for a total loss of $7 million. Moreover, the parts' prices have increased enormously. Compared with batteries for a similar type of aircraft amounting to under $618, the MD 500 battery costs $2900.

Europe Actively Forthcoming With Technology Transfer

The government has made several tries to escape being a "dupe." One of these attempts has been to diversify the sources of imported weapons by looking to Europe.

In November 1985, Yun Song-min, minister of national defense at the time, in response to a question from the National Assembly's National Defense Commission, formally revealed for the first time the policy of diversifying weapons sources when he said, "We will attempt to acquire weapons that meet or surpass the established capabilities that we demand by diversifying the source of our purchases to countries such as France, the United Kingdom, and Italy. Currently, weapons importation is biased in favor of the United States." Subsequently, a handful of European weapons were acquired, including the West German 209-model submarine, the British Lynx anti-submarine helicopter, the Javelin surface-to-air missile, and the Hawk aircraft.

Countries came to clash with each other over the following sales to Korea: in the purchase of submarines, France and West Germany; in the purchase of antisubmarine helicopters, the U.S., France, and the United Kingdom; in trainer aircraft, the United Kingdom, Italy, and Spain; in short-range anti-aircraft missiles, the United States and the United Kingdom. The United States is relatively weak in the areas of conventional submarines (diesel or battery-powered as opposed to nuclear-powered submarines) or high-grade trainer aircraft. Because of this, the areas in which the United

States competed with Europe were in antisubmarine helicopters and short-range surface-to-air missiles.

The antisubmarine helicopter is a weapon that is able to detect and attack submarines. In this area, the U.S. SH-2F, the British Lynx, and the French Dauphin 2 competed. As before, the United States repeated its timeworn practice of presenting an older weapon that was outdated. The SH-2F of Kaman Corporation was deployed in the U.S. Navy during the early 1970s. As an older model aircraft, its production line had already been shut down, and the United States was already fielding the newer SH-60B helicopter at the time of the bidding. This newer helicopter had already been sold to other countries like Japan, Australia, and Spain.

The SH-2F was also too large and heavy to be loaded onto the naval destroyers that the United States had provided to our navy. Therefore, the Lynx helicopter was eventually chosen. The Lynx that the navy will acquire—the newest among several models—can not only detect submarines with its sound detection gear and then attack them with torpedoes, but it can also attack surface vessels with its Sea-Skua antiship missile.

During the second-stage surface-to-air missile program, the Javelin was chosen over the Stinger missile. The Javelin, first displayed during last year's Armed Forces Day festivities, is both too heavy and large to be carried by our infantrymen. For this reason, the Stinger missile was preferred by the Republic of Korea Army [ROKA].

Attempts To Diversify Since the End of the 1960s

Experts note that a diversification of weapons sources has many advantages. The United States is not forthcoming with technology transfer and it maintains absolute control over the export of defense products produced with its technological assistance. In contrast, European nations are comparatively active in their transfer of technology and tend to be lax in their controls on the use of this technology.

One military expert in the government confirmed that in the case of the antisubmarine early warning aircraft program, the French Atlantique II presented more advantageous conditions than the U.S. P3C in terms of technology transfer. The contrast between U.S. and European willingness to transfer technology is also confirmed in other programs, such as the antisubmarine helicopter program. It is difficult to assume, however, that we can totally reject the United States while unconditionally preferring European products. The case of the Fiat armored vehicle imported from Italy awakened officials as to just how important prior consideration is in weapons acquisition.

This four-wheeled armored vehicle is a familiar weapon to Koreans, having appeared annually as a regular customer at the Armed Forces Day parade. A $41 million contract was made in 1977 with the famous Italian automobile company Fiat, and 355 armored vehicles were produced. It is said that not many of these vehicles function properly today due to problems with parts supply.

These vehicles are barely kept intact by stripping parts off existing vehicles and using them to repair other vehicles, the so-called cannibalization process.

The weapons diversification efforts which began to show visible results toward the mid-1980s find their roots in the latter part of the 1960s.

President Pak Chong-hui became determined to establish an independent national defense policy line by strongly pursuing the fostering of Korea's domestic defense industry. Pak was stimulated by several incidents. These included a string of provocations, such as the completion of four military fronts in North Korea and the January 21st incident [the attempted assassination of then President Pak Chong-hui by thirty-one North Korean guerrillas who infiltrated into South Korea], as well as the Nixon Doctrine and the withdrawal of the U.S. 7th Infantry Division from Korea. One former high-ranking general who participated in deliberations over weapons imports revealed that it was from this time that the diversification of weapons sources was attempted, with the goal of actively trying to localize the production of all weapons. The choice was between weapons importation and production.

Although the United States promised assistance to Korea's force improvement program and did provide technological assistance to our defense industry, it was minimal and unable to satisfy our desire of catching up with North Korea's defense industry. It is because of this that we began to turn our eyes to Europe in search of a higher level of technology assistance. This attempt led to much discord between U.S. defense companies, who had monopolized the Korean market, and the Korean Government.

The Exocet Missile: Imported in Extreme Secrecy

The first stage for confrontation was in 1968. The government allowed international bidding for contracts for rifles and ammunition factories, with the objective of nationalizing the rifle and ammunition production. However, this attempt was beautifully frustrated by U.S. intervention. From the very beginning the U.S. Colt Corporation that had been producing M-16 rifles was opposed to providing the technology; accordingly, the contract was concluded with a company of Bell Helicopter, which was amenable to providing the technology to nationalize rifle production.

Then the U.S. Government suddenly intervened and had Colt yield sufficiently to conclude a contract. The contract with Bell was canceled just before officials were to depart on their way to Bell. This contract called for royalties to be paid to Colt in exchange for imported technology used in producing the rifles. Because the contract did not clearly state just what the time limit was for paying these royalties, this is still a source of mutual criticism between Korea and the United States.

Korea suffered another setback toward the end of the 1970s. Around 1975, our airborne corps discussed the need for a small transport plane that could secretly infiltrate airborne troops into the enemy's rear area. After searching for a suitable candidate, CASA [Construcciones Aeurnauticas SA] aircraft developed in Spain were determined to be the most suitable candidate. This twin-engine aircraft could infiltrate some twenty airborne personnel behind enemy lines. This purchase was decided and even had the approval of the president; however, the United States intervened, and around 1980 the plan itself was scrapped.

However, not all attempts at diversifying sources of weapons during the 1970s failed. In the mid 1970s, Korea imported the Oerlikon antiaircraft gun from the Swiss. Up until then, Korea possessed nothing that could be called an antiaircraft gun, even though it had the U.S. Nike, Hercules, and Hawk surface-to-air missiles.

The world-renowned Eisenburg weapons broker of Israel and the domestic trade intermediaries B Company are known to have been deeply involved in the sale. The Oerlikon gun has a high direct hit percentage, even in inclement weather, due to its radar-guided aiming equipment. Although its rate of fire per minute is slower than that of the U.S. Vulcan, overall it is judged to be superior to the Vulcan.

Even while looking to other countries, Korea pursued the importation of U.S. weapons while feeling threatened by North Korean surface-to-surface and ship-to-ship missiles. On the other hand, Korea continued to search for a means by which to unilaterally develop weapons as well as import them from third countries.

When the import of the latest U.S. antiship missile Harpoon fell short of our expectations, the import of the French Exocet antiship missile was pursued amid deep secrecy. The Exocet missile sank the British frigate Sheffield with one round directly hitting the engine room during the Falkland War between the United Kingdom and Argentina. It also proved its capabilities in use during the Iran-Iraq War.

The importation of this missile that occurred around 1978 is known to be the result of hidden efforts by concerned officials at the time. Since we had to be careful of U.S. perceptions, the missile was disassembled and shipped disguised as routine cargo.

Introduction of Electronic Warfare [EW] Equipment Without Knowledgeable Personnel

The importation of the French Exocet missile irritated the United States. The United States was already nervous over Korea's attempt at nuclear development and the successful test firing of domestically produced medium- and long-range missiles in 1978. The long-range missile was a reconfiguration of the Nike and Hercules surface-to-air missiles, while the medium-range missile was a remodeling of the Honest John surface-to-surface missile. Both were enormous successes considering the level of Korea's technology at the time.

A nervous United States showed an extremely sensitive reaction to Korea's insignificantly small weapons development. The United States is known to have expressed strong dissatisfaction with the improved model of the 155mm howitzer that Korea developed in the early 1980s. While mass-producing 155mm guns using technology obtained from the United States, Korea had continually failed even as recently as the late-1970s in trying to produce a purely localized gun on its own.

Because it was weak, the gun barrel would either splinter or warp when firing shells, the noise was loud, and the rate of fire per minute was slow. Thus the weapon was unable to satisfy the demands of the army. Entering the 1980s, however, these problems were overcome, and the gun was put to practical use thanks to the joint efforts of gun barrel manufacturers and the Agency for Defense Development [ADD]. This gun had many similarities with the M198 155mm gun recently developed by the U.S. Army. Because of this, the United States became suspicious that Korea may have been producing the weapon after having stolen the plans.

As a result, when Korea sought approval to use nuclear shells, the United States was excited, asking straightforwardly that Korea bring the plans of the improved gun for it to view. Because guns with a caliber of over 155mm are able to fire nuclear shells, Korea needed U.S. approval in order to do so.

As the force improvement program was pursued in full swing entering the 1980s, more and more defense companies from the United States, Europe, and other such places swarmed into Korea. During the first stage of the force improvement program (1974 to 1981), $6.03 billion was invested, with $5.02 billion being invested during the second stage (1982 to 1985), for a total of $11.05 billion over a ten year time period.

Importation of modern weaponry using numerous electronics parts was pursued during the 1980s in response to the demands of the military that called for more modern weapons. Korean forces were incorporating the air-land battle concept that was developed in the United States, and this concept emphasized the importance of EW [electronic warfare]. EW entails battlefield intelligence collection and electronic jamming capabilities, both of which utilize state-of-the-art electronics equipment. Accordingly, interest was focused on acquiring EW equipment and radars.

EW involves either the transmitting of interference signals to disrupt enemy communications or radar, or the overcoming of interference caused by enemy jamming of friendly signals by changing frequencies. During the 1982 Lebanese civil war, both Israel and Syria mobilized the most current state-of-the-art equipment in a large scale mid-air battle. The results were that Israel defeated Syria overwhelmingly, losing only four aircraft to Syria's eighty- one.

While Syria lost 81 aircraft, including the modern MiG-23, Israel lost only four aircraft, which included three helicopters. The airborne guidance of the early warning aircraft E2C and the execution of EW played a decisive role.

The Korean forces, recognizing the importance of EW, pursued the importation of the most modern frequency jamming equipment from the United States around 1985. At this time, our forces simply recognized the importance of EW—there was no clear concept of EW at all. EW equipment is designed for specific uses, and the frequencies that can be jammed are limited. Even so, there were many military officials who imagined EW equipment to be "omnipotent magic boxes."

The Problem of the 88 Tank Gunner's Sight

Although Korea ambitiously imported EW equipment exceeding $100,000 per system, many problems emerged. No one took into consideration the frequencies used in North Korean communications before purchasing the equipment. Subsequently, it was difficult to jam North Korean communications. Because of this and Korea's mountainous terrain, this equipment was unable to function to its fullest capabilities.

Toward the end of the 1980s, after Korea had attempted to import state-of-the-art equipment, another trial-and-error experience occurred.

In 1988, at a certain military equipment factory's outside storage lot, nearly 100 tanks stood parked in line for a year, exposed to snow and rain. These were 88 Tanks (K1) that had been completed in their final assembly. Because of a problem with one of the parts on these tanks, they could not be delivered to Korean forces. In 1989 the weekly British military magazine JANE'S DEFENSE [WEEKLY] carried an article on these tanks.

The part with which there was a problem was the gunner's sight, which is the equivalent of the eyes of the tank. Production of the 88 Tank was carried out in a first and a second stage. The problem emerged during the second stage of production. In the first stage, the GPS [not further expanded] made by the U.S. firm Hughes was used as the gunner's sight. However, in the second stage a part newly developed by the U.S. firm Texas Instruments (TI) was employed. This equipment, known as the GPTTS, was the newest model, using a laser rangefinder that enables it to locate the enemy in inclement weather or at night. Not only was this similar to the equipment used on the M1A2 tank, the newest model U.S. tank which at the time was under development, but this was also the very first time that this type of equipment was chosen for installation on a tank.

This purchase of state-of-the-art equipment, which Korea had not done for some time, invited disaster. Test firing results using both the Hughes and TI sights showed that the TI equipment failed markedly in its hit percentage. Against fixed targets, the GPS had a hit ratio of 97 percent, while the GPTTS hit only 64 percent. Against moving targets, the GPS hit 97 percent, while the GPTTS registered only about a 50 percent direct hit percentage. Because of the TI equipment's low hit ratio, the ROK Army refused to accept the 88 Tanks from the second stage of production. For a while, these tanks remained in pitiful condition.

Discord with the United States Over Importation of Radar

One military expert within the government called this "a trial-and-error process that cannot be avoided when acquiring state-of-the-art technology. The Hughes GPS system was completely unable to function in either inclement weather (fog, etc.) or in smoke screens, which are frequently used on today's battlefield. We chose the TI system because it was able to remedy this problem."

However, one source familiar with arms transactions insists, "Lobbyists of an affiliate of S Group who were acting as intermediaries in the purchase had great influence in the selection of the TI system. In order to find a means to overcome the problem with the TI equipment, people at the defense factory were trying to ascertain the truth of the rumors regarding the defects through these intermediaries."

Looking positively at this example, this importation of state-of-the-art equipment was a trial-and-error process. However, looking at it negatively, Korea has essentially become a "state-of-the-art equipment testing dupe." Early in 1986, just two years before the 1988 Olympics, Korea almost suffered another trial-and-error ordeal.

Our forces were faced with the possibility that North Korea would attempt to disrupt the Olympics. Accordingly, efforts were concentrated on setting up countermeasures to prevent this. The armed forces were most worried about a low-altitude infiltration of an airborne unit using a light transport plane, such as the AN-2. The problem was to find a radar that could detect an infiltration of an AN-2 before the fact.

The large radars of the ROK Air Force had difficulty locating aircraft such as the AN-2 that fly at low altitudes along valleys. This presented the need for a portable, small radar that could be easily moved and deployed in ravines and valleys. At this point, the Reporter radar developed in the Netherlands emerged as a piece of equipment which could fulfill Korea's needs.

Although the acquisition of this radar was decided toward the end of the 1970s and even had the president's approval, by 1986 the purchase had not been executed. Interest in this equipment resurfaced as the Olympics approached. With a comparatively inexpensive price of $240,000 each, many of these radars could be purchased, and with a detection range of approximately 30 miles, there was no problem in using it as a radar to detect low-flying infiltrations.

Opinion leaned in favor of selecting the Reporter, as it generally met the armed forces' needs and because only two years remained before the Olympics. Suddenly, the United States intervened, saying that it had the latest style of radar that could detect targets at ranges of over 60 miles.

The ROK Army dispatched an on-site inspection team to ascertain the capabilities of the U.S. radar. They came to the conclusion that this radar was superior. However, the price was expensive, it had not actually been deployed in a battlefield, and the first finished product was in its assembly stage. Moreover, because it was extremely bulky, it would be difficult for infantrymen to move.

Shortage of Professional Knowledge Among Military Officials

Between two and three years is required between selecting a weapons system and deploying it in war. Thus, in preparing for the 1988 Olympics, a system should have been deployed in combat prior to early 1988; in this aspect, U.S. radars had many limitations. ROK Army leaders, including Chong Ho-yong, Army chief of staff at the time, decided to acquire the Netherlands's Reporter after much deliberation. This radar gave them some time leeway and was also economical. As soon as this decision was made, an official from the U.S. officer corps (JUSMAG) [Joint U.S. Military Assistance Group] requested an explanation from Korea regarding this decision.

Many people believe that the trial-and-error process we have undergone, in addition to primarily political factors, also stems from problems in the operation of the weapons purchase deliberation system and problems with those who make up this system. The normal sequence a weapons purchase undegoes is submittal, selection, decision of purchase methodology, and adoption. The first stage is the drafting of each side's requirements (ROC) [not further expanded]. On these documents, which are prepared at the ROK Army Training and Doctrine [TRADOC] Command, the minimum capabilities necessary for the forces are clearly defined.

Up until the mid-1980s, many instances occurred in which the number of candidates presented by the services for a given weapons purchase amounted to only one. From around 1987, regulations were changed so that the services would list multiple candidates. This measure was intended to increase the fairness of the process. For each service which uses these weapons directly, however, it has been difficult to select multiple candidates, because generally they preferred only one particular weapon.

When the services draft a letter of request, the primary factor they consider is whether a weapon meets primary operational requirements. They also are said to consult with overseas military affairs magazines and weapons brokers' proposals as well. Among military figures whom weapons brokers approach the most are the officials responsible for drafting the military requirements within TRADOC. Weapons brokers approach these officials with either pamphlets introducing their weapons or with articles from military affairs magazines that support their claims of their weapons.

Although the military requirements drafting officers could objectively accept the claims of the weapons brokers if they themselves possessed specialized knowledge about weapons systems, in reality they are unable to do that. Drafting officers are generally not specialists but rather people who move frequently as their duty assignments change. Moreover, this is also known as a position for officers faced with transfer to the reserves to serve temporarily before moving.

Because of this, concerns surface whether these drafting officers are not cajoled by the flattery of weapons brokers and thus draft unreasonable letters of requirements.

Purchases Exceeding 5 Billion Won Require Chongwadae Approval

However, there are actually many military experts who view the role of weapons brokers positively. One expert on weapons systems expressed the following argument in favor of weapons brokers.

"A large number of military officials lack expertise, and only a handful can even properly read professional military magazines. Thus they are slow in obtaining information on trends in the world weapons market or the latest information on areas such as new weapons development. Nonetheless, they can obtain the newest information from weapons brokers and familiarize themselves with after maintenance and specifics of contracts on weapons that already have been imported."

Requirements that have been drafted at TRADOC go through each of the services' operations staffs before the Joint Chiefs of Staff [JCS] deliberate on them. At the JCS they are adopted, and the Ministry of National Defense instructs the appropriate service to test and evaluate the various weapons candidates that fall under the force improvement program. For systems that would be difficult to test and evaluate in Korea, teams are dispatched directly to the companies involved to perform the test there.

At the time of the trainer aircraft program, Italy, Spain, and the United Kingdom were visited in order to test the MB339, the CASA 101, and the Hawk. When deliberations over the acquisition of the antisubmarine [illegible]ly warning aircraft were taking place, it is said that officials attended the July 1989 Paris Air Show and then visited the Tasso company to test-fly the Atlantique II.

There are also instances where the Ministry of National Defense requests the advice of research organizations. The Agency for Defense Development (ADD), formed for the chief purpose of assisting in the localization of weapons production, is depended on for technical appraisals and judgements on the possibility of localization of weapons. The Korea Institute for Defense Analysis (KIDA) is depended on for management analysis, such as cost- effectiveness analysis.

Toward the end of 1990, an overall reevaluation was begun at KIDA of the next-generation fighter program (KFP) [Korea Fighter Program]. The decision had been made to do a thorough review of the program. The goal of the reappraisal was to determine whether it was more beneficial for Korea to import the technology to build the aircraft locally, or to simply purchase the aircraft directly. KIDA's conclusion was the same as what was originally planned—to import the technology to build the aircraft.

Within the Ministry of National Defense, the organization that gathers all of these opinions and conducts the final deliberations is the "Weapons Systems Acquisition Deliberative Committee." This organization, formed in 1983, is composed of the Ministry's second deputy minister as the chairman and about ten committeemen chosen from each of the armed services. In many instances, the deliberation of this committee is merely a formality.

One high-ranking reserve general who was a member of this committee revealed, "Since many generals think that the weapons selection process is basically difficult and a headache, those who raise objections or complaints are very rare, and many decisions are made by relying simply on other officials related to the projects."

A decision made here goes to the minister of national defense for approval. Programs whose budgets exceed 5 billion won must receive the president's approval.

Sluggish Weapons Exports Resulting From U.S. Controls

The area within the selection process that most influences domestic industry is the purchasing method. One of three methods is chosen: research and development, acquisition of technology for local production, or overseas purchase. For the development of the domestic defense industry as well as for technology accumulation, the order of priority should be research and development, the introduction of technology for local production, and finally overseas purchase. However, in reality this is not the case.

Doctor Chon Kil-song of the ADD alluded to this problem in the January 1991 issue of KUKBANG-KWA KISUL [DEFENSE AND TECHNOLOGY]. "In reality, we are continuously drawn to overseas purchase as our first priority. The reason is because the requirements (ROC) listing the services' demands are based on overseas equipment standards, and the time required for research and development makes it impossible to meet the purchasing time limits which the services demand. The force improvement program, moreover, was drafted with no consideration given to research and development time lines. So, in reality, it is almost impossible to acquire weapons systems based on domestic research and development.

Chon also brought up another problem in the defense industry. He claims that as Korea entered the 1980s the defense industry, which was essentially being commanded by the Chongwadae, was entrusted to the Ministry of National Defense. At this point, the shortcomings of the then-bloated defense industry's management system became evident. The current state of Korea's defense industry also can be seen in the sharply decreasing amount of Korean weapons exports, using 1982 as a starting point.

According to data from the U.S. Arms Control and Disarmament Agency [kunbi kwalli kunchuk-kuk] (ACDA), Korea's weapons exports in 1982 amounted to $975 million. Since then they have decreased every year, with only $30 million of exports in 1987. During an eleven-year time span from 1977 to 1987, South Korea's weapons exports of $2.94 billion were less than North Korea's $3.315 billion for the same time period.

U.S. controls on the export of defense industry products is known to be the primary cause for the slump in Korea's weapons exports. In order to export goods made with technology assistance obtained from the United States, approval must first be obtained. The United States has often refused.

There are also many instances where contracts concerning technology transfer were concluded unfavorably from Korea's point of view due to its own ignorance. The case of the 88 Tank is a prime example of this. Even though the tank was jointly developed with Korea providing funding assistance, authoritative examination of the text of the contract was overlooked. In the end, Korea was unable to export the tank as desired. The generals in charge of this project are said to have been reprimanded concerning this problem.

The 88 Tank captured the attention of the world arms market from its developmental stage. Even though its capabilities were similar to the latest model of the U.S. M-1 tank, it was originally expected to be only two-thirds the price, thus whetting the appetite of arms merchants. In the end, however, the 88 Tank turned out to be non-exportable, and the price exceeded two billion won, weakening the tank's international competitiveness.

In the 1980s, the war between Iran and Iraq was the golden market for weapons. By 1987, North Korea had made respectable profits by exporting a total of $2.4 billion worth of weapons to Iran and $5 million worth to Iraq. North Korean exports covered a wide spectrum, from rifles to tanks to Scud missiles. South Korea, because of its political and diplomatic position, did not formally export weapons to either of these countries. In fact, however, it is known that weapons were exported through third countries on a modest scale.

Currently, Korea is at a point in time where we can either profit from the competition that will likely intensify between arms manufacturers or, if not, could become an even bigger "dupe" depending on the choices we make. The professionalization of personnel in the weapons selection system as well as the public disclosure of the selection process will allow Korea to maximize its benefits in the area of weapons importation. One person who worked as a researcher at one of the research institutes subordinate to the Ministry of National Defense revealed, "I once met a person rumored to be an electronics expert at one of the key organizations involved in the weapons import deliberation process. I was shocked to find out that he could not even distinguish between the concepts of radar and optical equipment."

Need for Fostering Personnel Exclusively Responsible for Weapons Imports

There is a need to eliminate the practice of frequent rotation of positions without distinguishing between field operations or policy. Policy must also be established to develop individuals solely accountable for weapons systems, a job that requires a high degree of professionalization.

The public disclosure of the selection process is intended to preclude rash, imprudent decisions made in secret rooms by lobbyists.

Some areas of weapons importation require secrecy for the sake of security. I am not advocating unconditional public disclosure of all purchases. I am saying that we should aim for rational decisions made through the widest participation of relevant purchasing experts.

The vices of back room administration of programs can be seen in the trial-and-error experiences we have suffered. If decisions that differ from the choices of the services continue to be handed down because of political reasons, morale within the armed forces will suffer, and those involved in weapons selections will fall prey to lobbyists representing weapons under consideration.

The next-generation fighter program was the first attempt to avoid the back room administration syndrome. However, this attempt has been dragging on for over eight years, much longer than earlier planned.

Those industries who have already made the facilities investment for the program are complaining about their difficulties, and it is becoming an established fact that the project costs will exceed the $3.5 to $4.2 billion mark originally expected. Not only that, but the next-generation helicopter program is being postponed for a few years as well. Postponing the plan leads to an immense additional expense problem. The postponement of the submarine purchase resulted in an additional expense of $78 million per vessel because of the foreign exchange rate. During negotiations for the importation of antisubmarine early warning aircraft, an additional expense of 20 billion won was also incurred.

One industry official analyzed the reason for the postponement in the following way: "Companies trying to buy time to get more favorable conditions in the negotiations is unavoidable. One must also, however, put part of the responsibility for the postponement on military officials. Not only do these individuals basically feel that selecting weapons systems is a headache, but they also fear that problems will develop if the selection process becomes public. I believe that one of the primary reasons for delays in plans is an attitude of self-preservation to the effect that as long as I am here, let's not make a decision but instead pass the buck to the next person."

The trial-and-error process of weapons purchases incurs preposterous costs. The only means to reduce this cost is for those involved within Chongwadae, the armed forces, industry, and other such places to develop a sense of responsibility and, through close cooperation, attempt to "make a more rational selection."

No Chae-pong Urges 'Restudy' of Defense Strategy

SK0703092691 Seoul YONHAP in English 0906 GMT 7 Mar 91

[Text] Seoul, March 7 (OANA-YONHAP)—Prime Minister No Chae-pong instructed the cabinet Thursday to restudy South Korea's defense strategy in light of the Gulf war.

In a cabinet meeting, No said, "The Gulf war has shown us new aspects and strategies of modern war."

Defense Minister Yi Chong-ku reported that an in-depth study of the strategies, tactics and weapons of modern war was being made by a research team formed at the outbreak of the war in January.

Government Vows Intense Supervision of Elections

SK0703035591 Seoul YONHAP in English 0223 GMT 7 Mar 91

[Text] Seoul, March 7 (YONHAP)—The government pledged Thursday the most intense supervision possible for South Korea's first local elections in 30 years, and punishment for both bribe givers and takers and for government officialss who try to influence the outcome of the polls.

County and town chiefs must resign if they join a candidate's campaign to prevent suspicion of government impropriety and all violators of election regulations will be barred from running again for six years, two ministers in charge of law enforcement said in a joint news conference.

Home Minister An Ung-mo and Justice Minister Yi Chong-nam, outlining government plans to ensure clean and fair elections, said they would use the full might of the law against all violators of election rules.

For the first time in 30 years, voters in cities, counties and municipal wards go to the polls March 26 to elect local councils.

Teams of government officials and election management committee officials will expand from 3,000 to 10,000 members to ensure that a close watch is kept on all aspects of the campaigning and voting, they said.

Police stations will have sections devoted to collecting reports of illegal campaign activities and rewards will be paid for tips. The government will be specially alert for bribery and slander.

An urged "clean and fair elections for positive progress of local autonomy" and vowed that any government worker who causes controversy in connection with the election would be strictly reprimanded.

Political parties are not allowed to field or support candidates in the elections.

"The election law punishes not only those who give but also those who accept bribes," the justice minister said. "The prosecution will punish violators regardless of the election results. Violators will be stripped of their victory, if they won, and barred from running again for six years.

"Various private social organizations are launching drives for a fair election, but they must also keep their actions within the legal boundaries," Yi warned.

"They cannot support or oppose certain parties or candidates."

He said 324 people had been investigated on suspicion of illegal campaigning, and 10 of them arrested and 88 booked without physical detention.

Military Reserves To Join Police Patrols

SK0703025491 Seoul YONHAP in English 0146 GMT 7 Mar 91

[Text] Seoul, March 7 (YONHAP)—An estimated 1.34 million unarmed military reservists will join anti-crime police patrols between March 28 and late November, according to the Defense Ministry Thursday.

Members of the homeland reserve forces will be on duty from 9 p.m. to 6 a.m. as part of their training. They will be armed with truncheons, not rifles, and will be empowered to make spot arrests but not to stop and search people, the Ministry said.

They will be controlled under the military order system in cooperation with local police forces, but the Ministry has not decided whether the reservists will be used to halt crimes of a political character such as attacks on police boxes.

Steel Pipe Industry To Expand in Middle East

SK0203032291 Seoul YONHAP in English 0246 GMT 2 Mar 91

[Text] Seoul, March 2 (YONHAP)—South Korean steel pipe makers will build or expand factories in the Middle East and project a 25-percent jump in exports to the region for repairing oil wells.

Korea Steel Pipe (KSP) is expanding a joint venture in Saudi Arabia and Hyundai Steel Pipe, a subsidiary of the Hyundai group, is setting up a production plant in Iraq. Daewoo is active in Yemen.

KSP will double the yearly production capacity of Saudi Steel Pipe (SSP) in al-Dammam, a tie-up with Saudi's Rabiah & Nassar Co., in 1980, from 100,000 tons to 200,000 tons.

The SSP workforce will increase from 260 to 500 and KSP is studying expansion of capacity to 300,000 tons, depending on demand.

Hyundai plans to build a factory in Iraq with an annual production capacity of 20,000 tons of pipes to supply an affiliate likely to take part in rebuilding projects. It had intended to set up the factory before the war.

Daewoo hopes for a prompt start to a joint venture with Yemen to meet demand in the Middle East. Plant construction began early last year but was interrupted by the Gulf war. Domestic capacity will also be increased to meet rising orders.

Embassy Opens for Zambia, Zimbabwe, Mozambique

SK0703060691 Seoul YONHAP in English 0539 GMT 7 Mar 91

[Text] Seoul, March 7 (YONHAP)—South Korea has opened an embassy in the Zambian capital of Lusaka that will also serve Zimbabwe and Mozambique, the Foreign Ministry said Thursday.

The opening Tuesday brought the number of South Korea's overseas diplomatic missions to 142.

Zambia, a nonaligned country, established diplomatic relations with Seoul last September. It also has relations with Pyongyang, which withdrew its diplomats recently.

Coast-Earth Communication Station Opens

SK0603091791 Seoul YONHAP in English 0754 GMT 6 Mar 91

[Text] Seoul, March 6 (OANA-YONHAP)—Ships in the Pacific Ocean and callers in South Korea were directly linked for the first time Wednesday, when Korea Telecom opened a coast-earth station.

Installed in the Kumsan Intelsat Station, it directly sends telephone and telex messages between land and sea using an international maritime satellite, a telecom spokesman said.

The station cost 64 billion won (89.5 million U.S. dollars) and took 19 months to complete. Previously, operators were needed to communicate via coast earth stations in other countries.

The direct service will save Korea 45 percent of the relay charges for foreign stations and the users, mostly fishing boats, will slash their phone bills to 5,800 won from 11,060 won a minute, he said.

Korea joins the the United States, Japan, the Soviet Union and Singapore in having a coast-earth station.

Brunei, Malaysia & Singapore

Malaysia

Ghafar Baba Denies 'Arms Race' With Singapore

BK0603151991 Kuala Lumpur Domestic Service in Malay 1430 GMT 6 Mar 91

[Text] Malaysia does not want to engage in an arms race with its neighboring countries despite its intention to buy a submarine. Speaking in Stockholm today, Deputy Prime Minister Ghafar Baba said there is no basis whatsoever to support the allegation. He also dismissed another allegation that there is an arms race between Malaysia and Singapore. Malaysia has no desire to make enemies with any country. Having no territorial ambition, Malaysia attaches more importance to cooperation and mutual assistance with other countries in various fields, including defense, so as to safeguard the region.

In his speech, he criticized world trade agencies for their failure to reach an agreement under the General Agreement on Tariffs and Trade. He also criticized the industrialized countries' inclination to link environmental protection with economic development.

The deputy prime minister made these remarks at a luncheon held in his honor. He added that such moves had brought about negative impacts on developing countries like Malaysia. He expressed the hope that Sweden would be able to help convince the international community to adopt a fair and objective approach toward those issues. He pointed out that all countries should be responsible in coping with environmental pollution and assistance must be given to developing countries to aid in this global problem.

He noted that Malaysia had closely monitored dramatic developments in Europe in the last two years, especially the movements for democracy and economic freedom in Eastern Europe, as well as the single European market next year. He said developments in Europe and other continents are closely related to those in East Asia.

Business, Political Stands on SRV Soften

BK0703054391 Bangkok THE NATION in English 7 Mar 91 p A8

[Article by Sonny Inbarat and Kunlachada Chaiphiphat: "Malaysia Softens Stance Against Vietnam"]

[Text] Heeding former Thai Prime Minister Chatchai Chunhawan's call to turn the "battlefield of Indochina into a marketplace," Malaysia last month became the first ASEAN country to set up a consulate in Ho Chi Minh City in response to Hanoi's desire to expand economic cooperation with Kuala Lumpur.

Malaysian Prime Minister Mahathir Mohamad in a keynote address at a World Bank development strategy symposium on Vietnam in Kuala Lumpur last month said Malaysia would help Vietnam liberalize its economy and encourage private sector growth.

The symposium was also attended by a Vietnamese delegation led by Vo Van Kiet, deputy prime minister and first vice-chairman of the Vietnamese Council of Ministers.

"Malaysia and I believe many other countries in this region (ASEAN) are willing to cooperate and assist in any way we can to help Vietnam through this phase of its development process," said Premier Mahathir.

According to Mahathir, Malaysia plans to set up rubber processing and tin and gold mining ventures in Vietnam. It was also considering logging and timber processing projects, the premier said.

The Malaysian Rubber Development Corporation (MARDEC) and Vietnam's Song Be Rubber Company have entered into a joint venture to set up a US$1.5 million rubber processing plant. MARDEC will hold a 51 percent stake in the plant.

Malaysia has also resumed aid grants to Hanoi for rubber planting, which were suspended after Vietnam invaded Cambodia in December 1978. An initial grant of US$296,000 (Bt [baht] 7.4 million) has already been made to the Rubber Research Institute to Vietnam to train staff and buy equipment. According to Malaysian Primary Industry Minister Dr Lim Keng Yaik, Malaysia wants to start direct rubber trade with Vietnam, from which it buys 35,000 tonnes of rubber a year via Singapore.

Profound ideological changes have taken place in Vietnam in the past few years. The changes were heralded by the 6th Congress of the Vietnamese Communist Party in 1986, which replaced Soviet-style central planning with a market economy that encourages private business and foreign investment.

Political differences in the past had restricted Malaysia's economic exchanges and trade with Vietnam.

Malaysia has until recently actively campaigned against any resumption of Western or Japanese aid to Vietnam following Hanoi's December 1978 invasion of Cambodia. The country is currently holding nearly 15,000 Vietnamese boat people, most of whom come from southern Vietnam.

Vietnam also occupies the uninhabitable but strategically important Spratley Islands in the South China Sea, which are jointly claimed by Malaysia, the Philippines, China, and Taiwan.

A Malaysian embassy official here in Bangkok said "these political differences have generally dissipated in the past year, thanks to Thailand's efforts in trying to bring Vietnam into the Cambodian peace process."

On the Spratleys issue the official said Indonesia was taking the initiative to resolve the territorial and sea boundary issue.

"Former Thai Premier Chatchai was responsible for 'mellowing' the thinking of ASEAN hardliners towards Vietnam who until recently viewed them (the Vietnamese) as the aggressors in the region.

"Chatchai's 'battlefield to marketplace' policy convinced many ASEAN leaders, including Mahathir, that there was tremendous economic potential in the region. Malaysia took advantage of the situation and we decided to set up a consulate in Ho Chi Minh City when the time was right," the official said.

"Recently the embassy in Bangkok had been receiving many inquiries about the the setting up of businesses in Vietnam, in particular Ho Chi Minh City. Traditionally Chinese businessmen in Malaysia have had ties with the Vietnamese Chinese community in Ho Chi Minh's Cholon area. It's only a matter of renewing those links. Ethno-linguistically they're actually of the same kind and speak Cantonese in common."

The Malaysian Home Ministry late last year lifted a ban on Malaysians travelling to Vietnam and the national carrier MAS [Malaysian Airline System] started weekly flights to Ho Chi Minh City this year.

The setting up of a Malaysian Consulate in Ho Chi Minh City also will help Malaysia address the urgent problem of the Vietnamese boat people.

Malaysian Foreign Minister Abu Hassan Omar, when interviewed by THE NATION in Phuket recently at the Thai-Malaysian joint committee meeting, said the country was concerned that after more than a decade, the Indochina refugee problem still persisted.

"We are disturbed that more and more of those who leave Vietnam are actually economic migrants rather than genuine refugees. Third countries in America and Europe and becoming more reluctant to accept these Vietnamese people and we (Malaysia) have been shouldering the burden of being a country of first asylum," he said.

Abu Hassan said the setting up of a consulate in Ho Chi Minh City will help in tackling the problem at its source.

Some 336 Vietnamese boat people have returned to Vietnam since March 1989 under a voluntary repatriation scheme for those who failed to obtain refugee status.

Though Malaysia is upbeat about investing in Vietnam, it however acknowledges the fact that Vietnam's infrastructure is inadequate.

According to observers, Vietnam's infrastructure cannot be developed until it obtains aid from institutional lenders. Before that happens, Vietnam has to normalize relations with the U.S. and others.

The International Monetary Fund (IMF) suspended aid to Vietnam in 1985 when the country defaulted on overdue loans. Most economists believe Vietnam will have to settle its IMF debts and become eligible for new funds before it can attract significant investment, credit and technology from the West.

To restore its standing, the IMF has told Vietnam that it must reschedule its debt—about US$130 million according to the State Bank of Vietnam. In 1987, the IMF agreed to help Vietnam arrange foreign loans to cover two-thirds of the country's arrears, if Hanoi paid the remaining third from its own resources. So far Vietnam hasn't found the US$40 million needed.

The World Bank which gave Vietnam a US$60 million loan for an irrigation project in 1978, suspended its assistance the following year under U.S. pressure.

Until formal diplomatic relations with Washington are restored, the huge flow of foreign investment needed by Hanoi will remain elusive, World Bank officials have said.

The United States has not had diplomatic relations with Hanoi since North Vietnam overran the U.S.-backed South Vietnam government in Saigon, now Ho Chi Minh City, in 1975.

Washington has said relations can be normalized only after the Cambodian issue is resolved and Vietnam accounts for 2,300 American soldiers missing in action.

Malaysian embassy sources here in Bangkok say chronic infrastructure problems in Vietnam have prevented Kuala Lumpur businessmen from venturing into heavy industry ventures with Hanoi.

"Right now Malaysian interests are just limited to light industry and garment manufacturing. No one wants long-term investment in Vietnam because the returns are so uncertain. Unless and until Vietnam rebuilds its war-ravaged infrastructure, no Malaysian businessman will make a long-term commitment to that country," said an embassy source.

Ghafar on Failure of GATT Talks, Environment

BK0703040291 Kuala Lumpur BERNAMA in English 0319 GMT 7 Mar 91

[Text] Stockholm, March 7 (OANA-BERNAMA)—Malaysia has lashed out at major trading powers for the failure to reach agreement in GATT talks and the increasing tendency of some major industrialised countries to link environmental protection to economic development. The visiting Malaysian deputy prime minister, Ghafar Baba, said Wednesday that such action and failure were detrimental to many developing countries, including Malaysia.

Speaking at a lunch hosted by his Swedish counterpart, Odd Engstrom, he said "I need to cite only one example, and that is the campaign in European countries to discourage the import of tropical hardwood on the ground that its extraction has led to deforestation and consequent global environmental deterioration."

"To us in Malaysia, it leads to subjective and unfair victimisation of tropical hardwood-exporting countries like ours."

He hoped that friendly countries like Sweden would be able to help in bringing a more objective and balanced approach by the international community, particularly the industrialised countries.

After all, Ghafar said, all must bear their share of responsibility in contributing to environmental pollution in the first place and in assisting developing countries to cope with the problem which undoubtedly affected all mankind.

New Zealand Trade Minister Ends Two-Day Visit

BK0703071291 Kuala Lumpur International Service in English 0600 GMT 7 Mar 91

[Text] New Zealand is working toward closer economic ties with Malaysia, particularly in the agriculture, fishery, manufacturing, petrochemical industry. The country's visiting minister of trade negotiations [title as heard], Philip Burdon, said this in Kuala Lumpur. Mr. Burdon was speaking to newsmen after a two-day visit to Malaysia. He said follow-up meetings would be held between the two countries to forge the cooperation. He described his preliminary discussions with the Malaysian authorities as fruitful.

Destruction of CPM Booby Traps Enters Phase 2

BK0503061191 Kuala Lumpur BERNAMA in English 0428 GMT 5 Mar 91

[Text] Kuala Lumpur, March 5 (OANA-BERNAMA)—Intensive operation by Malaysian and Thai security forces to locate and destroy booby traps planted by the outlawed Communist Party of Malaya (CPM) in the jungles of Perak and Kelantan states has entered its second phase.

Malaysian Defence Forces Chief Gen [General] Hashim Mohd Ali said the operation, code-named "Ops Bersih" ["Operation Clean"] launched on Jan 10, was in full swing with the assistance of former CPM members.

"We have between two and three groups of former CPM members helping out our men and the Royal Malaysian Police personnel in the operations and the cooperation given was satisfactory."

The armed forces identified five areas in which the CPM planted booby traps during its 41-year armed struggle against the Malaysian Government.

It was estimated about 4,000 booby traps were planted in former communist terrorist areas in Perak, Kelantan, and Kedah states.

The Malaysian and Thai Governments signed a peace accord with the CPM, which agreed to lay down arms and give up its armed struggle in Hat Yai in December 1989.

Thailand completed its search and destroy operations for bombs, communist camps, ammunition, and food caches in the former CPM-infested areas on its side of the common border last year.

Malaysian and Thai senior officials met at the end of 1990 to plan a similar operation on former CPM-held areas on the Malaysian side of the border.

State Urged Not To Sell Water To Singapore

BK0603122491 Singapore THE STRAITS TIMES in English 4 Mar 91 p 17

[Text] The opposition Parti Islam has called on the Pahang state government to cancel its plans to sell water to Singapore, according to the SIN CHEW JIT POH.

The Chinese-language newspaper quoted a Pahang PAS [Pan Malaysian Islamic Party] leader, Mr. Mohamed Alwi, as saying that the volume of water from the Pahang river would not be enough to cater to the needs of the people in the state in the coming years.

He said that the population in Pahang was expected to grow and the state could even face a water shortage in future.

Speaking at a mosque gathering in Temerloh, he wondered how the state government would be able to get enough water to sell to Singapore. He said that because of this, PAS opposed the plan to sell water to the Republic.

Mr. Mohamed also criticised the Pahang state government for asking the mosques in the state to cut down on their activities as "it is afraid to lose to PAS in the next general election".

In his speech at the function, he also criticised the government for appointing unqualified people to run mosques in the state.

Singapore

Finance Minister Hu Unveils 1991 Budget

BK0603130391 Singapore THE STRAITS TIMES in English 2 Mar 91 p 1

[By Mary Kwang]

[Text] Finance Minister Dr. Richard Hu yesterday unveiled a "Shenton Way" Budget with several tax incentives for the financial sector, as well as a half percentage-point increase in the total Central Provident Fund (CPF) contribution rate from July 1.

Dr. Hu also proposed, for the second year running, a one-off 5 per cent rebate on personal income tax for the year of Assessment 1991 to reward individuals for contributing to Singapore's success last year.

And to curb the rise in water consumption, the Government intends to introduce a water conservation tax from April 1.

The tax is 5 per cent for households which use water excessively and 10 per cent for non-domestic and shipping sectors.

In this regard, Dr. Hu gave the assurance that the majority—about 60 per cent—of households will not be affected by the new water conservation tax.

The Fiscal Year 1991 Budget, which wil have the lowest projected budget surplus—$1.4 billion—since 1987, is aimed at broadening Singapore's economic base and enabling local businesses to tap into regional growth.

It emphasises manpower and infrastructure development, and also reflects the Government's other priorities of national security, quality education, housing, a clean environment, health care services and improving the quality of life.

Explaining the rationale for the CPF revision, Dr. Hu said the planned adjustment to the contribution rates should not be postponed further as the Singapore economy is expected to grow moderately this year.

Hence, the employers' CPF rate will be raised by one percentage point, to 17-1/2 per cent, while the employees' rate will be cut by half a percentage point, to 22-1/2 per cent.

This brings the combined contribution rate to 40 per cent, from the present 39-1/2 per cent.

Dr. Hu said in a televised panel discussion later at night that the proposed CPF increase should be taken into account in this year's National Wage Council deliberations.

Clearly aware of businessmen's concern with recent rising costs, Dr. Huy reminded employers in his Budget statement in Parliament that the Government "cannot cocoon businesses from the resource constraints that we face as an economy".

Instead, Singapore should meet the challenges of a fast-changing, inter-dependent world by adopting a two-pronged approach: building external linkages and staying nimble and flexible internally.

However, not all businessmen seem to agree with Dr Hu on the CPF revision.

The Association of Small and Medium Enterprises, for instance, said the revision should have been postponed until "the economy has improved".

Other businessmen were also disappointed that there was no cut in the 31-per cent corporate tax rate as expected in the run-up to the Budget statement.

Dr. Hu explained that there was no need to lower tax rates as Singapore's tax structure was already among the most competitive in the world.

Nonetheless, businesses, especially those in the financial sector, were pleased with the specific tax incentives announced yesterday, which include:

—tax exemption for banks' general provisions;

—tax concessions on activities such as underwriting foreign securities and the provision of trustee services;

—tax incentives to encourage more Singapore-based companies to invest overseas and repatriate their profits;

—an incentive scheme to promote maritime services by attracting foreign shipowners to set up ship management operations here; and

—a one percentage point cut in the tourism [word indistinct] rate, from 4 per cent to 3 per cent, for one year starting from April 1.

This is to help the ailing hotel and restaurant sector, which has been badly affected by the recent Gulf war.

—a 5 percentage point reduction in the duty on entertainment, with the exception of racing of horses and vehicles.

This move is in keeping with the Government's commitment to create a more vibrant cultural and entertainment scene in Singapore.

Because of the emphasis on the financial sector, the Budget, which starts on April 1, has been dubbed by some as the "Shenton Way" Budget.

Summing up his hour-long speech, Dr. Hu said he was confident of Singapore's future, given the close cooperation between the Government and its well-educated and highly-motivated people. "Our economy has performed well for four consecutive years now. We cannot expect such progress to continue without a hitch.

"There will always be the occasional difficulties which will slow us down. But these should not distract us from our long-term goal of becoming a developed nation by the turn of the century."

Parliament begins debate on the Budget on March 11.

Cambodia

Bou Thang Speaks at Women's Day Meeting

BK0703072091 Phnom Penh Domestic Service in Cambodian 0430 GMT 7 Mar 91

[Summary] A meeting was held on the afternoon of 6 March at the 26 August Guest House in Phnom Penh to mark the 81st anniversary of the 8 March International Women's Day. "The meeting was honored with the participation of Comrade General Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and chief of the General Political Department of the Cambodian People's Army."

In his speech, Bou Thang recalled the significance of the International Women's Day worldwide and contrasted the oppression of women in Cambodia under the genocidal Pol Pot regime with the good treatment of women under the new regime. He also praised Cambodian women's active contribution to national defense and construction.

Battle Success in Northern Provinces Reported

BK0503154391 Phnom Penh Domestic Service in Cambodian 1200 GMT 5 Mar 91

[Excerpt] [Passage omitted] Early in this year's dry season, we used combined forces, combined measures, and combined means to counterattack and smash the enemies in remote jungle-covered areas in Kompong Thom, Siem Reap-Oddar Meanchey, and Preah Vihear Provinces.

As a matter of fact, between 17 January and 10 February, our Cambodian People's armed forces attacked, routed, and forced the three groups of bandits to retreat from their hideouts in Popok, Anlung Kranh, Khvav, Tumnup Khsach, Krayea, Sakream, Sangvat, and so on. As a result, we killed 223 enemy soldiers on the spot, captured 226, received 116 who defected, and forced 58 others to surrender. We seized 1,292 assorted firearms, 25 60-mm mortars, 114 B-62 rockets, 1,064 B-40 rockets, 864 rounds of [word indistinct], 300 packs of TNT, 283 land mines, 12,800 rounds for AK rifles, 400 12.7-mm rounds, 17 H-12 rounds, one video camera, one power saw, and some war materiel. We burned 130 enemy lairs, 94 metric tons of paddy, 17 tanks of fuel, a C-71 field radio, and a walkie-talkie. Moreover, on one of the battlefields, we seized 85 metric tons of diverse ammunition as well. [Passage omitted]

SPK Reports Military Activities in Feb

BK0603055291 Phnom Penh SPK in English 0428 GMT 6 Mar 91

[Text] Phnom Penh SPK March 6—Last month, the armed forces of Kompong Cham Province stationed in the provinces of Banteay Meanchey and Kompong Thom, put 166 enemy soldiers out of action including 90 wounded, according to provincial military sources.

In the meantime, in engagements with enemy troops at Svay Chek area, Banteay Meanchey Province, 360 km northwest of Phnom Penh, Kompong Cham armed forces also annihilated 54 enemy troops, wounded 61 and forced five others to surrender. They destroyed two enemy tanks and seized a quantity of war materials.

In Kompong Thom, they also found one arms cache containing 157 assorted guns.

On the conversion of misled people, the province received 20 former enemies, including 18 Polpotists and two Moulinakans [Sihanouk soldiers], who brought along nine firearms and a quantity of cartridges.

Party Greets Vietnam's Pham Van Dong on Birthday

BK0503154191 Phnom Penh SPK in French 1123 GMT 5 Mar 91

[Text] Phnom Penh 5 Mar (SPK)—The Central Committee of the Kampuchean People's Revolutionary Party [KPRP] has just sent a greetings message to Pham Van Dong, adviser to the Central Committee of the Communist Party of Vietnam [CPV], on the occasion of his 85th birthday.

In its message, the KPRP Central Committee stresses that Pham Van Dong's efforts to help the Cambodian revolution will last forever as an active contribution to the development of the time-honored relations of friendship and solidarity between the KPRP and the CPV and between the Cambodian and Vietnamese peoples.

The message also wishes him good health, vitality, and a long life.

VONADK: Son Sann Urges Continued Struggle

BK0703025491 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 6 Mar 91

[Text] In a 5 March statement, His Excellency Son Sann, prime minister of the Cambodian national government, firmly exposed the Hanoi Vietnamese aggressors and their puppets, Vietnam's lackeys, who stubbornly persist in opposing the documents of the [UN Security Council]'s five permanent members.

He stressed that the Vietnamese aggressors and their puppets and lackeys have no intention of ending Vietnam's war of aggression through peaceful means. Vietnam continues its war of aggression and occupation through its own troops hidden and disguised among the puppet forces and regime. He called for the increase of great national union forces to fight the Vietnamese aggressors and their puppets until the liberation of our country from the Vietnamese aggressors' grip.

Indonesia

Central Bank Moves To Curb Speculation, Inflation

BK0603031891 Jakarta THE JAKARTA POST in English 28 Feb 91 p 1

[Excerpt] Jakarta (JP)—Indonesia's Central Bank is taking huge sums of money out of the banking system to curb increasing speculation in foreign exchange and to reduce inflationary pressures.

"The government has ordered about 12 state firms to transfer some Rp [rupiahs] 7 to 8 trillion (US$3.64 to 4.1

billion) of their funds from state-owned and private commercial banks to Bank Indonesia," Finance Minister Johannes B. Sumarlin told reporters after meeting with President Suharto at the Merdeka Palace here yesterday.

Sumarlin, who was accompanied by Bank Indonesia Governor Adrianus Mooy and Minister/State Secretary Murdiono in the meeting with Suharto, said the funds should be deposited at the Central Bank in the form of Bank Indonesia Certificates (SBI).

Yesterday's measure immediately triggered sharp increases in banking deposit rates.

Mooy explained that SBI's annual interest rates, which were adjusted from time to time, were set on Tuesday at 17.75 percent for maturity within a week, 19.25 percent for one month, 20 percent for three months, 21 percent for six months, and 22 percent for 12 months.

"The transfer of state firms deposits from commercial banks to Bank Indonesia is necessary to contract the amount of money in circulation because the current money supply is still too large, thereby encouraging speculation in foreign exchange trading," he said.

He said the 39.7 percent increase in the money supply from Rp 14.39 trillion as of the end of 1988 to Rp 2.11 trillion as of the end of 1989 and the 16.8 percent expansion to Rp 23.5 trillion as of last December was apparently too rapid in comparison to the growth of 7.4 percent in the gross domestic product (GDP) in 1989 and about 7.5 percent last year.

Mooy acknowledged that speculation in foreign exchange trading had increased since the beginning of this year.

"Our foreign exchange purchases exceeded our sales in December but the sales have exceeded the purchases over the last two months," he said.

When asked, he refused to specify the amount of foreign exchange that Bank Indonesia had sold over the last two months.

"The amount is big enough but it is not as big as the US$1.8 billion sold during the first half of 1987," Sumarlin said.

After increasing speculation in foreign currency trading during the period of December 1986 through June 1987, Acting Minister of Finance Sumarlin (Minister of Finance Radius Prawiro was then attending a meeting with representatives of donor countries and organizations in The Hague) ordered some state companies to withdraw their deposits at sate banks and to use them to buy SBI. About Rp 800 billion was withdrawn from the banks during the first two weeks alone once the measure was introduced.

"The current policy is merely a preventive measure that should be taken before speculation increases further," Sumarlin said.

"If speculation continues increasing, the country's foreign exchange reserves may decline drastically, thereby forcing the government to devalue the rupiah," he said.

The central bank is now holding $8.5 billion in foriegn exchange reserves and commercial banks another $2 billion, according official figues.

Sumarlin said the state companies which were ordered to transfer their deposits into SBIs included the oil company Pertamina, the State Electricity Company (PLN), the fertilizer firm PT Pupuk Sriwijaya and the savings and pension firm PT Taspen. [passage omitted]

Embassies in Kuwait, Iraq Remain Closed

BK0603153991 Jakarta Domestic Service in Indonesian 1500 GMT 6 Mar 91

[Text] The resumption of activities of the Indonesian Embassies in Kuwait and Baghdad, Iraq depends on the development of the situation in those countries. The Foreign Department Directorate of Information said the embassies' activities in the two countries could only be resumed depending on the situation in the region.

Until now it has yet to be confirmed when the Indonesian Embassies' activities could be resumed because there has been no report on the condition of the Indonesian Embassies in Kuwait and Iraq after the outbreak and end of the Gulf war.

Station Commentary Reviews Bali ASEAN Meeting

BK0503050191 Jakarta Domestic Service in Indonesian 0000 GMT 5 Mar 91

[Station commentary]

[Text] Ladies and gentlemen:

The meeting of the four ASEAN heads of government—Malaysian Prime Minister Mahathir Mohamed, Singapore Prime Minister Goh Chok Tong, Sultan Hassanal Bolkiah of Brunei Darussalam, and President Suharto—in Denpasar, Bali was in fact not an informal or mini-summit. As a matter of fact, the four statesmen were already expected to discuss issues of strategic importance to ASEAN. We can cite several urgent matters such as the post-war Gulf, an ASEAN-plus economic cooperation formula proposed by Prime Minister Mahathir Mohamed, and efforts to settle the prolonged Cambodian conflict. The hottest issue following the end of the Gulf war is how to create a more balanced new world order between the North and the South, not just how to anticipate the negative effects of the greatest war to shake the entire world's economy since World War II.

Speaking before the ASEAN forum jointly organized by the Center for Strategic and International Studies and the Asia Society from the United States, which began on Monday evening and will end tomorrow, President Suharto affirmed that ASEAN remained open to forms of regional economic cooperation undertaken collectively or individually as long as this would not affect the existence of ASEAN itself. We hope that forms of cooperation that may be inititated in the spirit of ASEAN will be realized following the Nusa Dua international conference. On the other hand, we underline a consensus reached by President Suharto and his three counterparts to assign their respective foreign ministers to make preparations for the convening of an ASEAN summit meeting. Indeed, the Southeast Asian regional organization, founded in 1967, does not stipulate the convening of periodic summit meetings. A summit meeting can be convened if prevailing interests and necessities warrant. For this reason, ASEAN, which will be 24 years old soon, has thus far convened three summit meetings—in Bali in 1976, in Kuala Lumpur in 1977, and in Manila, the third summit meeting, by the end of 1987. Although President Suharto and Prime Minister Goh Chok Tong had yet to fix topics or the date of the next summit meeting, Singapore will be the next host on the basis of order.

Based on the results of the international conference now underway at Nusa Dua, the proposed European common market, U.S.-Canadian cooperation, and other current developments, we hope that the ASEAN foreign ministers will make preparations for the convening of the fourth summit. Indeed, ASEAN has not yet been growing in strength. However, anticipatory moves toward the growing trends of globalization are indeed strongly required. The ASEAN summit meeting will also be of national importance in line with Indonesia's development plan which will soon enter the take-off stage because the plan continues to require regional and international support.

Philippines

Entry Ban on Iraqis Continues Despite Cease-Fire

HK0603142491 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Mar 91

[Text] The Philippine Government will continue to enforce its entry ban on Iraqi nationals despite of the cease-fire in the Gulf. This was disclosed by Acting Foreign Affairs Secretary Manuel Yan. The entry ban was enforced by the Commission on Immigration following the failed bombing attempt on the U.S. Thomas Jefferson Library, Makati, Metro Manila, shortly after war broke out in the Middle East. This resulted in the expulsion of Iraq's first secretary to the Philippines, Mulwafak al-'Ani and three other Iraqi students.

According to Secretary Yan, it is possible that the bombing of the Jewish Temple in Makati recently was also the work of Iraqi nationals. Yet, investigation is still in progress.

Finance Secretary Remarks on Gulf Costs

HK0603151791 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 6 Mar 91

[Text] Finance Secretary Jesus Estanislao reported today that the Philippines incurred losses of 1.8 billion pesos because of the Gulf crisis.

According to him, this damage resulted from oil price hikes and losses in dollar remittances from Filipino workers in the Middle East. Estanislao explained that the total damage was estimated to reach $800 million, yet due to the stabilization measures being put into effect by the government, this was cut to $200 million.

It was revealed by Estanislao that the Kuwaiti Government assured him that it will give highest priority to Filipino workers among all those who are willing to go back there and work.

Labor Mission Leaves for Middle East

HK0703050891 Manila THE MANILA CHRONICLE in English 7 Mar 91 pp 1, 9

[By Booma Cruz and Lito Zulueta]

[Text] The eight-man presidential mission to the Middle East will leave this afternoon to firm up commitments, made earlier by Gulf states, to employ Filipinos in the reconstruction of war- damaged areas.

"We will try to pursue whatever preliminary negotiations could be done to lobby and make way for the employment of Filipinos construction workers," Labor Secretary Ruben Torres, who heads the mission, said yesterday.

The itinerary of the 15-day mission to Saudi Arabia, Kuwait, Iran and the United Arab Emirates includes meetings with top government officials, major employers and members of the Filipino community.

The mission will also

—Formally convey Philippine government support for the Saudi Arabian-led economic recovery of the Gulf States.

—Assess the welfare needs of Filipino workers.

—Explore the possibility of large Philippine construction firms taking part in rebuilding facilities and infrastructure.

Meanwhile, Justice Secretary Franklin Drilon said the government would reopen its embassy in Baghdad as soon as the situation in Iraq had stabilized.

He also said the Philippine government might file reparations claim with Iraq for Filipino overseas contract workers who were forced to abandon their property as a result of the Iraqi invasion of Kuwait.

Drilon, chairman of Cluster E, the Cabinet committee on security and political affairs, said the Department of Foreign Affairs had been tasked to find out the mechanisms for filing the claim.

He did not quote a figure for the claim, saying data were still being collated.

Cluster E. which met yesterday, also called for the reopening of the embassy in Kuwait and the reestablishment of Philippine presence in Qatar and Bahrain "as soon as conditions will permit."

Foreign Undersecretary Manuel Yan said the embassy in Kuwait would reopen "in five days," after receiving Kuwaiti government guidelines for the restablishment of foreign embassies.

Task Force Middle East, a coalition of private groups and non- government organizations (NGOs), has urged the government to assess the effects of the Gulf war and review existing labor export policies before sending workers to the Middle East.

It also asked the government to investigate Philippine embassy officials who left their posts at the height of the conflict.

A member of the panel, a Kuwait-based Filipino woman, said Philippine consulate officials in Kuwait and Iraq gave hardly any assistance to Filipino workers during the war.

The Torres mission will call on the Kuwaiti labor minister and other Kuwaiti officials in Taif, Saudi Arabia; Prince Fadh Bin Salman, the governor of the eastern province of the kingdom; SAudi Civil Defense Chief Gen. Mahammed Saleh; Prince Bin turkih of the Saudi Royal Commission; Saudi Labor Minister Mohammad Al Fayez; the Arabian American Oil Co.; and reconstruction officials.

It will also attend a command conference with Middle East ambassadors and labor attaches in Abu Dhabi to flesh out details of the government's action plan for postwar reconstruction.

Maronilla said the Iranian labor minister's invitation to Tehran would lay the groundwork for a Philippine labor agreement with Iran on the supply of Filipino skilled labor. Iran is expanding its crude-producing capacity because of profits gained from the recent surge in oil prices.

According to Torres, Iran has a $6.5-billion budget for development projects.

Torres also said the Philippine government should not seek war claims from Kuwait because the latter was only a victim. He stressed, however, that Filipino workers could ask their Kuwaiti employers for their unpaid salaries.

Applications for overseas employment at the Gulf has swamped the Philippine Overseas Employment Administration (POEA) since the cessation of hostilities.

Editorial Remarks on Aftermath of Gulf War

HK0703040291 Manila THE MANILA CHRONICLE in English 7 Mar 91 p 4

[Editorial: "Surge of Confidence After Gulf Victory"]

[Text] The quick and decisive allied military victory in the Gulf war has triggered a surge of confidence in the economic recovry of countries hit hard by the war, among them the Philippines.

In particular, the end of the war has immediately handed divideneds to the Philippine economy. The prospects are bright for jobs for Filipinos in the reconstruction of war damage in the Gulf, and consequently for increased dollar remittances. The more basic effect is lower and more stable oil prices.

Even before the rout of the Iraqi army, the international market had looked ahead and been astir. The Philippine stock market, for one, has demonstrated one of the strongest recovery in Asia. A sort of euphoria and confidence is permeating the domestic economic atmosphere, but the question is what are we doing about it actually for ourselves.

Economic Planning Secretary Cayetano Paderanga has said the government will be moving decisively to ensure that the Philippines reaps the maximum benefits flowing from the "peace dividends" of the Gulf war, as well as from such development as the $3.3 billion pledges for new loans and grants by the multinational donors at the recent Hong Kong pledging session of the PAP (Philippine Assistance Program). But there is a difference between recognizing the need to move decisively and the will to make such a move. So far, the indications are that the government's response do not show a macro perspective. The emphasis, it seems, is on narrow initiatives. There is nothing wrong for instance, with campaigning for employment for Filipinos in the Gulf, but the postwar opportunities should not be missed as they relate to the basic problem of structural economic reform on investment, trade and taxation.

Mr Paderanga has recognized it, and PAP officials have warned that the key to reform is a national economic policy consensus (between the Executive and Congress) and the political will to push suitable legislation and implement without giving in to pressure groups.

Unfortunately, Mr Paderanga is a head of a planning body, not an implementing agency. He is also not the source of political will, and the administration, which is, shows no evidence that it is using the euphoria to forge a consensus; it also needs political will to get Congress to form a consensus. We agree with Mr Paderanga's analysis, but we are looking for the thing called "will." It has never been in evidence during the past six years.

Tourism Secretary Remarks on Upkeep of U.S. Base

HK0703035891 Manila BUSINESS WORLD in English 7 Mar 91 p 2

[By Anthony L. Cuaycong]

[Text] Once the United States turns Camp John Hay over to the Philippine government anytimes between April and July this year, the latter expects to shell out approximately $1.5 million per annum to maintain and develop the recreational facility, acting Tourism Secretary Rafael Alunan yesterday disclosed.

In an interview with Palace newsmen, Mr. Alunan said the exact amount to be appropriated for operations involving Camp John Hay "is a matter that would require some pencil pushing. But from the indications we got, we need something like $1.5 million. So we are talking of about P [peso] 40 million at the very least."

Mr. Alunan said the Department of Tourism [DOT], which has been tasked by Executive Secretary Oscar Orbos to oversee the facility's development, will push through with the conversion program in two phases.

The first phase involves tapping the private sector in Baguio to operate installations in the area "until such time we get the winning bidder to fully manage the faciliteis over the long-term, "Mr. Alunan said.

Play-Off

"For example, some of the more appealing restaurants in Baguio could be tapped for the Lone Star Steak House, and then, maybe we can have a play-off between Shakey's and Pizza Hut for Halfway House," Mr. Alunan opined.

The second phase entails engaging the services of "an internationally famous resort developer—it could be local or foreign—to handle the facilities on a long-term lease contract," Mr. Alunan said.

To avoid the recurrence of looting and vandalism following the facility's reversion, as is what happened to the Capas Transmitter Site and the San Miguel Naval Station, Mr. Alunan said Government "has already planned out resources. With the DOT's presence, the Philippine Tourism Authority will be tasked to maintain standing structures and possibly assist in the operation of some of the facilities, while the National Parks Development Committee will be tasked with groundscaping.

Antibases Group on Future Access Arrangement

HK0703054091 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 7 Mar 91

[Text] The U.S. military bases may remain after the proposed extension period of seven years through the future access arrangement. This is the opinion of the antibases group, who claim to have acquired a draft document from the Philippine-U.S. defense cooperation. [as heard]

The pro-nuclear-free-Philippines coalition yesterday released the partially abridged text of the defense cooperation agreement dated 19 February 1991. It contains parts of the proposed new bases treaty. Article 10 of the draft agreement states that after the phasedown period following the seven-year extension, both parties can still discuss a new future access arrangement. The document also contains a provision regarding the 1988 agreement which allows the transit and overflight of U.S. ships and aircraft carrying nuclear weapons.

Ambassador to U.S. Optimistic About Bases Treaty

HK0703141891 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 7 Mar 91

[Italicized passages in English]

[Text] Philippine Ambassador to Washington Emmanuel Pelaez believes that the Philippines and the United States will be able to forge an agreement regarding the U.S. military bases in the country. He based his statement from the report of Foreign Affairs Secretary Raul Manglapus.

[Begin Pelaez recording] He said that we are hoping to forge an agreement *serving the national interest of the Philippines and also the national interest of the United States,* so as to continue the friendly alliance of the two countries. [end recording]

Ambassador Pelaez also said that Foreign Affairs Secretary Manglapus went to Washington in order to explain the Philippine's position regarding the U.S. military bases in the country. He reported that Secretary Manglapus met with high-ranking officials of U.S. President George Bush about the said issue.

[Begin Pelaez recording] In compliance with that, last Tuesday, no, Wednesday, 27 February, he [Manglapus] already had a *series of calls, conversations with our friends here in the Senate and the House. And he also had a meeting with the high-ranking officials from the administration of President Bush* like Secretary Baker, Secretary of Defense Cheney, Treasury Secretary Brady, and others. [end recording]

Further on Accusations Against Generals

Aquino Urges Careful Study

HK0603145991 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Mar 91

[By Dick Synchongco of Mobile Unit No. 6]

[Text] President Aquino designated Secretary Orbos to carefully study whether the accusations of ex-Police Captain Reynaldo Jaylo against six generals should be accorded merit or not, prior to the formation of a small investigating committee.

The president said that Jaylo should present his accusations and evidence to the ombudsman. She also said that a small investigating committee, that will investigate the accusations of the ex-Manila policeman separately from the ombudsman, may be formed, but not necessarily. And this will also depend on the gravity and validity of the accusations. Earlier, Jaylo failed to substantiate his accusations before the Senate ad hoc committee.

Meanwhile, President Aquino will meet with Philippine National Police Director Cesar Nazareno and NBI [National Bureau of Investigation] Director Alfredo Lim. The dialogue is aimed at resolving the feud between the two.

Ramos Criticizes Accusations

HK0603150991 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Mar 91

[Italicized passages in English]

[Text] Defense Secretary Fidel Ramos said that ex-Captain Raynaldo Jaylo should not have made any more accusations against Philippine National Police generals alleged to have been involved in illegal drug trafficking, if he could not substantiate them with concrete evidence.

Ramos also told media not to sensationalize the story. Here is part of his statement:

[Begin Ramos recording] Our role in that, *we who are in the Armed Forces of the Philippines* is to just assist in solving that problem. It should not aggravate. *Inasmuch as the relationship of one big part of our government, the Philippine National Police, and of the equally important agency, the National Bureau of Investigation, is involved,* the case should not be lavishly taken up in the media. Because at the moment, sensationalism is all that I see. If we are to really look into this case, *it should be a matter of proof. It is not right to be accusing people right and left.* [end recording]

Editorial on War Against Drugs

HK0703051291 Quezon City MALAYA in English 7 Mar 91 p 4

[Editorial: "The General and Jaylo"]

[Text] Senators did right in putting a stop to resigned police Capt Reynaldo Jaylo's testimony linking senior PNP [Philippine National Police] officers to the drugs trade. Reputations are being besmirched through innuendo and hearsay. The Senate should not be a party to character assassination.

Jaylo named three generals. He could not offer proof of coddling against Brig Gen Marino Filart, and he linked two others, Brig Gen Pantaleon Dumlao and Brig Gen Virgilio David, only by association with two senior Army officers and a PC [Philippine Constabulary] Criminal Investigation Service [CIS] civilian agent killed in a what Jaylo says was a shootout with his men during an alleged drug buy-bust operation last year. Jaylo's evidence: Dumlao, then CIS chief, issued a gun to the slain CIS agent. Dumlao, then Narcotics Command chief wanted to know what U.S. narcotics agents were doing in the country. What's more, David was a friend of the colonel slain in the shootout (or rubout, depending on where you sit). And Dumlao was a cousin of the slain colonel. This is evidence of coddling? Jaylo's much ballyhooed expose has been exposed for the hearsay that it is. The senior PNP officers, however, have much to explain for practically blackmailing President Aquino into choosing between them and Director Alfredo Lim of the National Bureau of Investigation, whom the PNP leadership suspects is behind Jaylo's accusations.

They have shown a rather immature grasp of the workings of the democratic process. Clearly they feared the hearing of the Senate and hoc committee on drugs and the committee on defense and national security would be turned into a witch hunt. That shows how lowly these senior officers regard the probity and fairness of the members of the Senate. Granted that some senators can't resist grandstanding, this is no excuse for bullying the Senate committees into dropping the investigation and subverting the power of the legislature to conduct inquiries in aid of legislation.

What is indisputable is that the fight against the illegal drug trade is moving at a turtle's pace, if at all. Drug abuse has not abated. The public perception is that the traffic could not have grown to such alarming proportions if law enforcers were not turning a blind eye to the menace, at the very least, or worse, participating in the trade themselves.

The PNP can't shift the blame to anybody. Police are losing the war against drugs. Instead of playing politics, they should do their jobs. That will be the best defense against accusations from the likes of Jaylo.

Senator Gives Report on Aid, Policies

HK0703051491 Manila THE MANILA CHRONICLE in English 7 Mar 91 pp 1, 9

[By Johanna Son]

[Text] The Philippines risks losing the Philippines Assistance Program (PAP) if Malacanang and Congress continue to squabble over economic policies aimed at implementing reforms, Sen. Vicente Paterno warned yesterday.

In an official report to the Senate, Paterno said that donors to the PAP had observed that Manila could do a better job of "urging a consensus" on how to put its economic house in order.

"In other words, the MAI (Multilateral Aid Initiative, or PAP) will continue only if we get out act together and carry out the measures we said we would take," Paterno concluded. These sentiments were also expressed by donors such as the United States, Japan and institutions like the World Bank, Paterno said in a privilege speech.

Due to donors' skepticism, Paterno reported, another meeting with PAP participants would be held in the next 12 months to assess Manila's implementation of its economic program.

That meeting would not be a pledging session because "there was the undercurrent that if the Philippines continued to be slow in helping itself, the donor community was not going to be as forthcoming with its ODA (official development assistance) pledges in the future," he added.

Delegation heads had urged the Palace and Congress to coordinate on reforms in terms of trade liberalization, improved investment climate and faster privatization, apart from curbing the runaway deficit.

Reported Paterno: "There is goodwill on the part of the donors, but also a skepticism about (the Philippines') ability to deliver, and show-me attitude prevails among them."

The International Monetary Fund, the US and Japan are on record as urging Congress to replace the 9% import levy, pass the foreign investments' bill and drop the House's debt-cap proposal.

U.S. Ambassador Nicholas Platt batted for a three-year transition period during which the implementation of a netgative list for foreign investment would be suspended.

Platt said the transition period found in the House's foreign investments' bill would be a clear signal that the Philippines had at last opened its doors to foreign investment.

But Paterno, whose version of the measure is set for approval any time now, said the transition may create an unstable environment because Filipino business would continuously lobby for the law's change.

Armed Forces Chief on Rebel 'Sabotage' of Economy

HK0703045291 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Mar 91

[By Eloy Aquino of Mobile Unit No. 12]

[Text] The communist rebels attempted to sabotage the economy during the last part of 1980 [as heard] but failed. Armed Forces chief General Rodolfo Biazon said that the Communist Party of the Philippines [CPP] is using the militant labor groups to sabotage business and harrass investors. Biazon specified the case of the Bataan Export Processing Zone [BEPZ], where the May First Movement is carrying out strikes to bring down BEPZ export-oriented industries. Zone Manager Redentor Ascreta revealed that in 1987, only 15 companies were operating.

According to Bataan provincial commander Colonel Enrique Galang, the police and military's intensified crackdown has weakened the CPP's ranks. He said that the 15 highest leaders of the communist underground, including the New People's Army [NPA], have been arrested in the said campaign. Colonel Galang estimates that no fewer than 20 [as heard] rebels remain in the province following the clean-up operations in 52 rebel areas. Only four areas remain under communist influence, according to Colonel Galang.

Biazon said that the capture of communist rebels brought back industrial peace, especially in the BEPZ. Biazon also warned Processing Zone laborers to carefully look into the agenda of the labor groups they are affiliated with. Most of the known communist personalities in the province are CPP-NPA noncombatants.

Trade Relations Deteriorate in 1990

HK0703030591 Manila PHILIPPINES NEWSDAY in English 7 Mar 91 p 8

[By researcher Grace C. Sison]

[Text] As the country's import payments continued to outstrip its export earnings, its trade relations with the majority of the world's country groupings deteriorated during the first 11 months of last year.

Latest statistics gathered from the Central Bank showed that except for one major world group, the country's merchandise trade relations with the rest of the world were marked by distressing developments. To make matters worse, the surpluses enjoyed by the Philippines in its trade relations with it's two trade partners were reduced further, resulting in a further swelling of the overall trade deficit.

Industry sources cited the Persian Gulf crisis, which pushed up oil prices to abnormally high levels, as one of the factors for this development. "Because of the conflict in the Middle East, prices of oil products, the country's major import items, soared abruptly," one source explained. The Middle East, the country's major oil source, registered the sharpest growth in exports to the Philippines at 41.01 percent as it shipped a total of $1.31 billion worth of products as of end-November last year from the previous year's $929 million.

The country's heavy dependence on imported products and the government's import liberalization program, which has opened wide the door to the entry of more luxury items, also contributed to the wider gaps. Except for the socialist countries, all of the six remaining groups registered higher export values during the first 11 months of last year.

The significant gains in the imports from the six groups overshadowed the very minimal growths in the country's export earnings.

Direction of Trade
January to November 1990 and 1989
(In million U.S. dollars)

	1990			1989		
	Exports	Imports	Balance of Trade	Exports	Imports	Balance of Trade
United States	2,787	2,183	604	2,664	1,813	851
Japan	1,488	2,047	(559)	1,462	1,869	(407)
European Community	1,296	1,251	45	1,210	1,088	122
Middle East	117	1,310	(1,193)	110	929	(819)
ESCAP countries	1,162	2,704	(1,542)	1,120	2,296	(1,176)
Socialist countries	75	222	[figure indistinct]	73	264	(191)
Other countries	494	1,411	(917)	500	1,307	(807)
Total	7,419	11,128	(3,709)	7,139	9,566	(2,427)

Source: Central Bank

Business Sector Urges Approval of Taiwan Trade

HK0703054491 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 7 Mar 91

[Text] The business sector requested the early approval of a proposed bill filed in Congress which aims at formalizing trade and cultural ties between the Philippines and Taiwan. Philippine Chamber of Commerce President Aurelio Periquet appeared before the Senate Committee on Foreign Relations headed by Senator Leticia Ramos Shahani. Periquet said the Philippines would benefit more from Taiwan than from Mainland China. He added that trade with Taiwan would contribute to early economic rehabilitation.

[Begin Periquet recording in English] There are talks that [words indistinct] for the Philippines to make availment of economic funds of U.S.$1 billion set up by Taiwan in September 1988 to finance economic projects for Third World and other developing countries. In this regard, the Philippines is barely in front to develop corporate and coal mining. Taiwan is willing to loan the money but seeks semi-quasi ties with the Philippines in return. [end recording]

Periquet also told the Shahani committee that Taiwan is second to Japan in investments here. Taiwan is expected to increase its investments in the future.

Thailand

Anan Appoints Cabinet Secretary General

BK0703051391 Bangkok BANGKOK POST in English 7 Mar 91 p 6

[Text] Prime Minister Anan Panyarachun has signed an order appointing Sophon Suwannaruchi as cabinet secretary-general.

In the same order, dated yesterday, former secretary-general Pol [Police] Maj Yongyut Sarasombat was transferred to be attached to the Office of the Prime Minister [PM].

Pol Maj Yongyut was arrested with former prime minister Chatchai Chunhawan and other people on February 23 in the National Peace- keeping Council [NPKC] takeover. He is still detained by the NPKC.

Mr Sophon is a former adviser attached to the PM's Office.

2 More Deputy Secretaries-General Appointed

BK0703050791 Bangkok BANGKOK POST in English 7 Mar 91 p 6

[Text] Two more people have been appointed deputy secretaries- general of the National Peace-keeping Council [NPKC].

They are Samran Thawarayut, secretary-general of the Civil Service Commission, and Lt-Gen Yutthana Khamdi, armed forces deputy chief-of-staff for civilian affairs.

The order, signed by NPKC Chairman Gen Sunthon Khongsomphong, was effective from March 4.

New Cabinet Ministers Have Audience With King

BK0703140891 Bangkok Army Television Channel 5 in Thai 1230 GMT 7 Mar 91

[Text] His majesty the king granted an audience to the cabinet ministers, led by Prime Minister Anan Panyarachun, at the Phuphing Ratchaniwet Palace in Chiang Mai Province at 1635 today. The new cabinet ministers took an oath of allegiance before his majesty the king before taking up their duties.

Prime Minister Interviewed on Cabinet Formation

BK0603142791 Bangkok Army Television Channel 5 in Thai 1250 GMT 6 Mar 91

[Interview by Prime Minister Anan Panyarachun to unidentified correspondents at Bangkok Airport Reception Room on 6 Mar—live]

[Text] [Anan in progress] ...What was your question?

[Reporter] Have you picked your secretary?

[Anan] I have invited Sathaphon Kawitanon to the post of secretary to the prime minister.

[Reporter] How about the cabinet secretary?

[Anan] I believe Sophon Suwanruchi has been appointed in the royal appointment.

[Question indistinct]

[Anan] I have never felt that I will have no independence to perform.

[Question indistinct]

[Anan] I said before that no government is completely, 100 percent independent. To live in this world, everyone must compromise with each other. Even in a family, you cannot tell me that a certain husband or wife is completely independent. It is impossible; you do not live in your own separate world. We must take into account the current situation. Why must we provoke argument by regarding this or that person as wearing this or that color uniform and who is on whose side? My cabinet is singularly unified. I am color blind and thus do not distinguish between different colors. If you ask me which side comprises how many ministers, I will say here that I do not count because when I pick a person I do not consider his color or his affiliation. As for the 34 or 35 persons have agreed to join me, I hold that we must work as a team. No, there is no color or rank. I don't remember now who came from where. But the persons I picked must be good individuals. Regarding how independently I can carry out my work, I said earlier that one must know about one's own self.

[Reporter] Let's ask other reporters if they want to ask other types of questions.

[Anan] I don't know what you purpose is when you keep repeating the word independent. You want to hear sensational things. My colleagues have worked very hard, so let's not pay too much attention to that type of thing. If you look at the names of those in the new cabinet, it should give you some understanding that my work has been smooth, that I am feeling good, and that I have encountered no problems. But if someone thinks I have had problems, then it is his business, but it is not true.

[Question indistinct]

[Anan] How about allowing other reporters to say something. You asked several questions already and the questions seem to provoke an argument. Other questions?

[Reporter] The U.S. Information Service reportedly appealed for the release of General Chatchai.

[Anan] I don't know, I was asked this question several times a day. I confirmed my understanding, as I said on Saturday, that former prime minister Chatchai will be released after appointment of the cabinet.

[Question indistinct]

[Anan] You will have to ask the person with the authority to grant a release. This issue occurred before I assumed my post.

[Reporter] Has there been any consultations on Gen Chatchai's release?

[Anan] I have not been in any such consultation. But I assumed after a conversation on this issue that the National Peacekeeping Council wanted to release Gen. Chatchai after things were taken care of, meaning after the cabinet formation was completed. That was the understanding I had and have now, and there is no reason for me to think that it should be changed. If you ask me for the specific date of release, I cannot answer that. I can only tell you that it is my understanding, which remains unchanged, that Gen. Chatchai will be released or his detention will be discontinued after formation of the cabinet.

[Reporter] What status will Gen. Chatchai and his party assume after their release?

[Anan] That is not a responsibility of the government; the situation occurred before this government came to power. It is the authority of another body which I cannot answer. This will be all for today, thank you.

Interim Cabinet Ministers, Deputies Profiled

BK0703021591 Bangkok BANGKOK POST in English 7 Mar 91 pp 4-5

["Those in the Driving Seat: Who's Who in the New Cabinet"]

[Text] Profiles of ministers and deputy ministers appointed to the interim Cabinet yesterday.

[Deputy Premier] Police [Pol] General Phao Sarasin

Born on July 18, 1929 in Bangkok to former prime minister Pote Sarasin, the retired police chief received his early education at Wachirawut College and graduated with a B.A. in Science with a minor in Criminology at Johns Hopkins University in the United States.

Pol Gen Phao first joined the Police Department in 1955 in the Scientific Crime Detection Division. His positions in the department varied from commissioner of the Central Investigation Bureau to being secretary-general of the Narcotics Suppression Centre. It was in the narcotics area where he was involved for 30 years which made him famous as the "most honest cop."

Pol Gen Phao served as head of the Police Department for two years until he retired in September 1989.

[Deputy Premier] Michai Ruchuphan

Born on February 2, 1938 in Visetchaichan District of Ang Thong, Mr Michai graduated from Thammasat University with a B.A. in law. He also became a barrister in law with the Thai Bar Association and furthered his study in comparative law in the United States on a government scholarship.

Mr Michai was with the Office of the Juridical Council until his appointment as a director. Then he resigned to become legal adviser to the administration of Professor Sanya Thammasak. He later joined former Prime Minister Kriangsak Chomanan's administration as his deputy secretary-general and then served the Gen Prem Tinsulanon and Gen Chatchai Chunhawan administrations for a total of 10 years until last January. He was legal adviser to Siam Cement Group and the Bangkok Bank.

After the February 23 coup, he was named a legal adviser to the military junta.

[Interior Minister] Gen Itsaraphong Nunphakdi

Born in Muang District of Rat Buri on November 20, 1933, to a family of five of Pol Lt-Gen Chat, he graduated from Amnuaisiln School in Bangkok before enrolling at the Chulachomklao Royal Military Academy. Among his Class Five mates are Gen Suchinda Khraprayun and Gen Wimon Wongwant. He also studied at Fort Benning in the U.S.

He began his military service as platoon leader of the Third Battalion of the Royal Guards. His other positions included lecturer at the Army Staff College, military attache in London, deputy commander of the First Division, commander of the Sixth Division and deputy army commander-in-chief.

[Deputy Interior Minister] Air Chief Marshal [ACM] Anan Kalintha

Born in Pathumwan District, Bangkok on June 19, 1933, ACM Anan completed his pre-university education at Triam Udomsuksa School before he enrolled at the Air Force Academy. After two years in the academy he received a scholarship to study at an air force academy in Britain.

ACM Anan became a pilot in 1959 and later was promoted to several positions. He is now chief-of-staff of the Air Force.

[Defence Minister] Admiral Praphat Kritsanachan

Admiral Praphat received his education at Amnuaisiln, the Naval Academy, the Staff College and Naval College.

He entered naval service on a reservist position in the Staff Directorate. He was later promoted to commander of the Thong Pleo vessel. The other positions he held included naval attache in the Philippines, assistant chief-of-staff, assistant commander-in-chief and, currently, naval commander-in-chief.

[Finance Minister] Suthi Singsane

Born on July 2, 1928, he graudated from Thammasat University with a B.A. in accountancy and a Ph.D. in business administration from the University of Illinois. He attended the National Defence College, was a member of the National Audit Council, director of the Cooperatives Auditing Department and director of the National Budget Bureau.

He was appointed deputy finance minister twice, during the Kriangsak government and the Prem government. He was later appointed finance minister during the Prem IV government.

[University Affairs Minister] Kasem Suwannakun

Born March 1, 1930 in Chachoengsao Province where he finished his primary education, he is a political science graduate of Chulalongkon University and later went to further his studies in the U.S. where he obtained his Ph.D.

He became a lecturer at Chulalongkon University and dean of the Faculty of Political Science and finally rector of the university until his appointment as minister of the state universities portfolio eight times. He is secretary-general of the Thai Red Cross Society.

[Agriculture and Cooperatives Minister] Anat Aphaphirom

Born on January 13, 1938, he graduated from Chulalongkon University with a B.A. in civil engineering and an M.A. in hydraulic engineering from the Asian Institute of Technology. He holds a Ph. D. in civil engineering from Colorado State University and has been assistant professor at Chulalongkon University and vice-president and provost of the Asian Institute of Technology.

He was appointed deputy minister of agriculture and cooperatives in the first Prem government and minister of agriculture and cooperatives in the second Prem government. His latest position is president of the Thailand Development Research Institute and governor of the Petroleum Authority of Thailand.

[Deputy Defence Minister] ACM Phisit Salikhup

Born on November 10, 1932, he graduated from the Air Force Royal Academy, the Staff College and the National Defence College.

He was a former member of the National Administrative Reform Council and also a senator. His current position is chief-of-staff of the Armed Forces.

[Deputy Communications Minister] Gen Wirot Saengsanit

Born on October 16, 1935, Gen Wirot is from Uttaradit Province. He graduated from the Chulachomklao Royal Military Academy and went to the United States to further his studies at the Artillery College.

He began his military career as forward inspector of the Artillery Battalion and was finally commander of the Anti-aircraft Division, assistant chief-of-staff of the Army, deputy army chief- of-staff and army chief-of-staff.

[Commerce Minister] Amaret Sila-on

Born December 19, 1933 in Bangkok, Mr Amaret received his primary education at Mater Dei School, secondary and college education at Suan Kulap and Bangkok Christian schools and Assumption Commercial College. He completed his studies at Manchester University in England with a degree in economics in 1957 and gained an advanced certificate in business from Harvard Business School in 1974.

He worked for the Finance Ministry and Shell Co of Thailand before he joined Siam Cement Co in 1968 in the construction material sales department. He was appointed commerce minister in the last Chatchai government.

[Deputy Finance Minister] Dr Wiraphong Ramangkun

Born on August 1, 1943, he received his B.A. in political science from Chulalongkon University, M.A. in economics from the University of Pennsylvania and Ph.D. in economics from the same institute in 1971.

He began his career as an associate professor at Chulalongkon University and later became a director of the Macroeconomic Policy Programme, Thailand Development Research Institute. He was also economics adviser to former prime minister Prem. He was appointed finance minister for about four months in the Chatchai II government.

[Transport and Communications Minister] Nukun Prachuapmo

Born in 1929, Mr Nukun holds a master's degree in economics from George Washington University.

He began his career in the civil service as an economist at the Finance Ministry.

In 1979, he was promoted from comptroller-general to governorship of the Bank of Thailand.

He remained at the post until 1984 when he was dismissed by then finance minister Sommai Huntrakun over a policy conflict.

Mr Nukun is chairman of the board of First Asia Securities Co.

[Deputy Agriculture and Cooperatives Minister] Khosit Panpiamrat

Born in 1943, Mr Khosit got a bachelor's degree in political science from Chulalongkon University and a master's degree in economics from the University of Maryland.

Mr Khosit was formerly an economist at the National Economic and Social Development Board [NESDB] and a specialist with the World Bank before returning to the NESDB in 1974.

He is deputy secretary-general of the NESDB.

[Prime Minister's Office Minister] Phaichit Uathawikun

Born in 1934, Mr Phaichit received his bachelor's degree in economics from London University and did his Ph D. at Cornell University.

He was a lecturer at the National Institute of Development Administration and later became its rector.

He was appointed deputy finance minister in the Prem III administration. He resigned from the post following criticism over the Government's decision—for which he was largely responsible—to devalue the baht twice in 1981.

[Prime Minister's Office Minister] Mrs Saisuri Chutikun

Born in 1934, Mrs Saisuri received both a master's degree and a Ph.D. in education counselling from Indiana University.

She entered the civil service as a lecturer at Chulalongkon University and later became dean of the Faculty of Education at Khon Kaen University.

She also served on the National Culture Commission and the National Research Council.

Before being appointed to her current post as an inspector- general of the Office of the Prime Minister, she was secretary- general of the National Youth Bureau.

[Public Health Minister] Phairot Ningsanot

Born in 1928, Dr Phairot received a bachelor's degree in medicine and a master's degree in public health from Mahidon University.

He had been with the Health Department since he began his career in the civil service and, in 1983, became its director-general. In 1984 he was appointed Bangkok deputy governor.

[Deputy Public Health Minister] Dr Atthasit Wetchachiwa

Aged 55, he received his medical training at London University and served with Mahidon University's Faculty of Medicine when it was founded.

He was appointed to the Senate in 1989. He also initiated the advanced Sirikit Medical Centre Project, which has been expanding its service to the public.

[Deputy Premier] Dr Sano Unakun

Born in 1931, Dr Sano received his bachelor's and master's degrees in commerce and accounting from Thammasat University and in Australia respectively. He got his Ph.D. in economics in the United States.

He began his career as a civil servant at the Comptroller-General Department of the Finance Ministry.

Mr Sano was permanent secretary for commerce and secretary- general of the National Economic and Social Development Board before being appointed governor of the Bank of Thailand.

He resigned before retirement age and joined the TDRI as its president.

Industry Minister Sippanon Ketuthat

Dr Sippanon, 61, was president of the National Petrochemical Corp before being named to join the Cabinet.

He received his bachelor's master's and doctorate degrees in nuclear physics from Harvard University.

Before joining the business sector, Dr Sippanon was in education. He was secretary-general of the National Education Commission.

He was deputy education minister in the Kriangsak government and served twice as education minister in the Prem administrations.

Deputy Industry Minister Wira Susangkongkan

Mr Wira was born on June 7, 1930 in Bangkok. He is a retired government official. His last position was permanent secretary for industry in 1984.

He finished his secondary education at Amnuaisiln School. He graduated in engineering from Chulalongkon University and received a master's degree in public works engineering from the University of Illinois.

He began government service as an engineer in the Highway Department of the Communications Ministry.

Foreign Minister Asa Sarasin

Born in 1936 to ex-premier Pot and Siri Sarasin. He graduated from Dulwich High School in England, Wilbraham Institute in 1955, Johns Hopkins School of Business Administration and Boston University in 1959.

Mr Asa served the Foreign Affairs Ministry until he resigned as permanent secretary of the Foreign Ministry.

Mr Asa has been president of Padaeng Industry Co.

[Prime Minister's Office Minister] Kasemsamoson Kasemsi

Born on March 9, 1930 as the only son of M.C. Samosonkasem Kasemsi and M.C. Khaekhaicharan Thewakun. He graduated from Mater Dei School, Amnuaisiln School, Wachirawut School, Saint Gabriel School and Economic and International Law Schools in Australia and England.

M.R. Kasemsamoson began to serve the Foreign Ministry in 1955 and has been ambassador to various countries. Permanent secretary of the Foreign Ministry was his latest post before being appointed a minister yesterday.

Deputy Interior Minister Wichet Karunyawanit

Admiral Wichet graduated from the Navy Cadet School and the Navy Chief-of-Staff School.

He has been navy chief-of-staff.

Deputy Transport and Communications Minister M.L. Choengchan Kamphu

M.L. Choengchan Kamphu, 64, received his primary and secondary education at Wat Thepsirin Tharawas School. He graduated in engineering from Chulalongkon University in 1944.

He first worked for the Irrigation Department before winning an FAO scholarship to study at the University of California at Berkeley where he received a master's degree in civil engineering, specialising in irrigation.

His last position before retirement was permanent secretary for communications.

Deputy Transport and Communications Minister Suthep Theppharak

Aged 56, he graduated from the Air Force Cadet School and the Air Force Chief-of-Staff School.

ACM Suthep used to be military attache to Germany and has become air force assistant commander-in-chief.

Deputy Foreign Minister Wichian Watthanakhun

Aged 61, he graduated from Thammasat University and Law School in France.

Mr Wichian used to be ambassador to the United Nations and deputy permanent secretary of the Foreign Ministry, ambassador to Japan and retired after serving as ambassador to France.

Deputy Agriculture [and Cooperative] Minister At Taolanon

He graduated from Chulalongkon University's Engineering Faculty and obtained a master's degree in engineering in the United States.

Mr At has been a director of the Board of Trade and an executive of Charoen Phokhaphan Group.

Education Minister Ko Sawataphanit

Dr Ko was born on January 1, 1922 in Roiet Province.

He finished his primary and secondary education there before graduating with a B.A. in art from Chulalongkon University in 1943.

He received a master's degree in education from Oklahoma Agricultural and Mechanical College in 1950 and a doctorate in education from the University of California.

Dr Ko was a teacher with the Department of General Education from 1943-1953.

He was director-general of the Department of General Education in 1972-1974.

He was deputy education minister three times from 1972-1977. He was education minister from May 1979 to February 11, 1980.

His last position was deputy chairman of the National Education Commission.

Deputy Education Minister Somchai Wutthipricha

Mr Somchai, 59, is permanent secretary for education.

He completed a bachelor's degree in education at Prasanmit College of Education and a master's degree in education from Indiana State University.

He was deputy governor of the Bangkok Metropolitan Administration for education affairs.

PM's [Prime Minister's] Office Minister Michai Wirawaithaya born on January 17, 1941, he finished his secondary education at Wachirawut Witthayalai School and received his B.A. in economics in Australia.

He joined the National Economic and Social Development Board and was promoted to section chief.

He became famous when he started working on a family planning programme with a private organisation. He was chosen to be governor of the Provincial Waterworks Authority and was later promoted to deputy industry minister.

His latest position was government spokesman in the Prem V government. After leaving political positions, Mr Michai taught and worked on research in the United States for about a year before returning to Bangkok to take up family planning work again.

Justice Minister Praphat Uaichai born on December 18, 1924, he completed his secondary education at Wat Bowonniwet School and further studies at the Faculty of Law at Thammasat University. He studied to become a barrister of law at Thammasat University and in England.

He began his career as a clerk at the Justice Ministry and eventually became a judge, chief judge of the Central Juvenile Court, justice permanent secretary, senior judge of the Supreme Court and vice-president of the Supreme Court.

He is chairman of the board of trustees of Thammasat University and Ramkhamhaeng University.

Deputy Defense Minister Gen Wimon Wongwanit.

Gen Wimon was born on March 1, 1934. A native of Surat Thani Province in the South, Gen Wimon received his primary education in Phun Phin District and finished his secondary education in Chaiya District.

Before being admitted as a cadet of Class 5 of Chulachomklao Military Academy, he underwent military courses at the Pre-cadet School.

He began his military career as an officer of the First Infantry Regiment. After that he underwent chief-of-staff courses in the United States and England.

A major-general in 1986, he was named commander of the elite Special Warfare Centre in Lop Buri.

He is assistant army commander-in-chief.

Science, Technology and Energy Minister Sa-nga Saphasi.

Dr Sa-nga, 59, was born in Chiang Mai. A Ph.D. from the university of Washington, he has played an important role in promoting science and technology in the country.

His last position was permanent secretary for science, technology and energy.

In 1978, he was selected recipient of an "Honour Alumnus Award" of the University of Washington's

Foresters Alumni Association. In 1979, he received the Einstein Silver Medal from UNESCO for being a distinguished scientist.

Tokyo University awarded him an honorary doctorate in science in 1983.

Honorary doctorates in science were also conferred on him by the King Mongkut Institute of Technology as well as by Khon Kaen and Chiang Mai universities.

Three New Groups Formed in Cabinet

BK0703043391 Bangkok BANGKOK POST in English 7 Mar 91 p 1

[Text] The new Cabinet will be split into three groups with different areas of responsibility which are to meet separately on a weekly basis rather than all 35 members getting together once a week as in the past, the BANGKOK POST learnt last night.

The new concept was revealed last night by Deputy Prime Minister Michai Ruchuphan.

The scheme has been initiated by Prime Minister Anan Panyarachun.

It calls for operations to be split in three broad areas: Economic, security and social.

The areas would be overseen by three deputy prime ministers—Dr Sano Unakn (economic), Police [Pol] General Phao Sarasin (security) and Mr Michai (social).

Ministries will also be divided into similar groups relative to economic, security and social tasks.

For example, Pol Gen Phao will preside over the Interior, Defence and Foreign ministries.

Mr Michai will supervise ministries concerned with social affairs.

The three deputy prime ministers will have to work harder than the Prime Minister because the tenure of the caretaker government is short and the Prime Minister wants work done without any delay, said Mr Michai.

He said each group of ministers would meet separately to allow more time for individual ministers to study the issues thoroughly and to offer their opinions in full.

The decision made by each group is final except on an issue of utmost importance, he said.

Such a decision will have to be referred to the Prime Minister, he said.

The Deputy Prime Minster said this system would get rid of minor issues not on the agenda which used to swamp previous cabinet meetings.

All the cabinet minsiters will meet for the first time today at Sanam Sua Pa to work out details of the new system.

New Ministers Comment on Goals, Priorities

BK0703043991 Bangkok THE NATION in English 7 Mar 91 p A1

[Text] Newly-appointed Cabinet members said yesterday that they had agreed to accept the portfolios offered them because they were assured that they would be in "good company," with few if any problems in their working relationships.

Besides, the ministers all have a claim to fame in their respective areas of expertise.

For some, the offers just brought on nostalgia. Transport and Communications minister Nukun Prachuapmo, for one, is returning to work in the public sector following a few years of his notable presence in the financial community.

Nukun was formerly a senior official at the Highways Department before he moved to work for the Finance ministry and eventually became governor of the Bank of Thailand—the job he held until he was removed by former finance minister Sommai Huntrakun.

"I'm satisfied with the new Cabinet line-up—it has competent people on it. I'm prepared to study projects already underway. I don't expect serious problems in my work," he told reporters.

He believes his track record might have been the primary reason the National Peacekeeping Council (NPKC) picked him up.

But Dr Anat Aphaphirom, agriculture and cooperatives minister, expressed concern about his job because, he said, the agricultural sector is on the decline. However, the academic pledged to try to lay a strong groundwork for further development in a year.

"Our farm sector is weakening and this requires various strategies because it is one of the most important sectors for economic development," he explained.

The problems lay in all areas ranging from production to export, he said, arguing that the country should not put too much emphasis on industrial development.

"What we need to improve in this sector are production expansion, marketing and extension of farm credit with proper planning at all levels," he said.

Commenting about forest policy, he said land in denuded forests must be provided to villagers who do not own arable land for farming. At the same time, they should be given a role in protecting the remaining forests before the private sector is allowed to engage in reforestation.

Industry Minister Dr Sippanon Ketuthat said that the private sector would be given more of a role in industrial development together with environmental conservation. The public sector should lay down broad guidelines while playing only a supporting role, he said.

Public Health Minister Phairot Ningsanon did not have a comment on his appointment, saying only that he would have to learn about overall policy.

"By working systematically, we must strive towards the same direction," he said without elaborating.

Phairot's deputy Dr Atthasit Wetchachiwa said he would be responsible for the legal aspects of public health policy.

"I am a non-partisan. I just want to work for the better livelihood of the people," he said.

Justice Minister Praphat Uaichai said he would spare no effort in his work.

"Among the top priorities for me is to speed up the judicial process while ensuring full justice for all," he said.

Education Minister Dr Ko Sawatphanit and his deputy, Somchai Wutthipricha said they were honoured to have been given Cabinet posts and pledged to perform to the utmost capability.

A veteran in the education sector, Dr Ko said he would not want to remain idle as a caretaker minister. Somchai is also permanent secretary of the Education Ministry.

Top bankers welcomed the choices of Prime Minister Anan Panyarachun.

Siam Commercial Bank President Tarin Nimmanhemin said he believed the new Cabinet members were highly capable persons and good economic thinkers.

Sunthon Discusses Tasks, Meets Japanese Envoy

BK0703150791 Bangkok Army Television Channel 5 in Thai 1230 GMT 7 Mar 91

[Text] General Sunthon Khongsomphong, in his capacity as chairman of the National Peacekeeping Assembly [NPA], said that the NPA has the duty to maintain the government's stability and to give instructions to the cabinet. It does not have the duty to interfere in the cabinet's operations. General Sunthon Khongsomphong said that the NPA members will consult among themselves in setting up policies and ideas to present as instructions to the prime minister before they are made national policy.

[Begin Sunthon recording] We will follow up or give instructions to particular cabinet groups—in charge of economic, political, and technological affairs. [end recording]

In addition, he also talked about the release of General Chatchai Chunhawan. He said that the NPA will certainly release the former prime minister unconditionally, but not now because some people might exploit the situation and create trouble for him. This is for the sake of General Chatchai's own safety. General Chatchai would be requested, after his release, not to conduct any movement that could cause uneasiness. The abolition of martial law will not be announced now because various factors must be considered, such as whether the situation is stable.

The supreme commander and the NPA chairman made the above remarks after meeting Japanese ambassador to Thailand at the Supreme Command Headquarters this morning. The Japanese ambassador extended congratulations and recognition of General Sunthon's action contributing to national progress and stability.

Sunthon, Air Force Chief on Release of Chatchai

BK0703045991 Bangkok BANGKOK POST in English 7 Mar 91 p 3

[Text] National Peace-keeping Council [NPKC] Chairman Sunthon Khongsomphong yesterday said deposed prime minister Chatchai Chunhawan will be freed after the formation of the caretaker government.

But he did not give a specific date for the release.

Gen Sunthon was responding to a call by the United States for the early release of Gen Chatchai.

The NPKC chairman said it is too soon to say if the former prime minister will be prosecuted.

He declined to comment on a press report that Gen Chatchai had sought political exile in Switzerland. But he had met the ex- premier since he was taken captive by the military on February 23.

Meanwhile Army Chief Suchinda Khraprayun said yesterday nobody could pressure the NPKC into releasing Gen Chatchai.

His comment followed rumours that former advisers to Gen Chatchai at Ban Phitsanulok have called on the world community to bring pressure to bear to get the deposed premier released. [Air Chief Marshal] Kaset Rotchananin said the release could take place in the next few days, after a new Cabinet was formed.

Regarding members of the National Legislative Assembly, Gen Sunthon said it was still involved in the selection process which would take some time.

Suchinda Denies Foreign Pressure

BK0603144091 Bangkok Army Television Channel 5 in Thai 1230 GMT 6 Mar 91

[Text] Army Commander General Suchinda Khraprayun, in his capacity as vice chairman of the National Peacekeeping Assembly [NPA], denied a report that there is foreign pressure for the NPA to release quickly former Prime Minister General Chatchai Chunhawan. He said that there was no pressure for this issue. Nobody can put pressure on others. The Army commander said this after playing golf with the visiting Pakistani Army commander at the Army Golf Course. Deputy Army

Commander General Itsaraphong Nunphakdi and 1st Army commander General San Siphen also joined the golf game.

Amnesty International Demands Release

BK0703115891 Hong Kong AFP in English 1128 GMT 7 Mar 91

[Text] Bangkok, March 7 (AFP)—Amnesty International, the London-based civil liberties group, has joined the growing international clamour for the release of deposed Thai Prime Minister Chatchai Chunhawan.

Amnesty has urged the junta, which overthrew the government in a bloodless coup last month, to free Mr. Chatchai immediately, in an appeal circulated here Thursday.

Mr. Chatchai was arrested at gunpoint during the coup and has been held in detention at an air force base in the outskirts of the city ever since.

Amnesty, which made its plea in a letter to caretaker prime minister Anan Panyarachun and coup leader General Sunthon Khongsomphong, also called for the release of four other political figures including the deputy defence minister who are also being held.

Amnesty said that unless they were "going to be promptly charged in an independent and inpartial court of law with recognisably criminal offences and tried according to the full safeguards provided under international standards for a fair trial they should be immediately released."

Since the National Peacekeeping Assembly (NPA) took over power on Feburay 23 martial law has been in force despite the setting up an interim government.

Several Western nations including the United States have also urged the junta to free the ex-prime minister, who is being investigated on possible corruption charges by a specially appointed commision.

Army chief General Suchinda Khraprayun, believed to be the force behind the military takeover, said earlier this week that the NPA refused to be pressured into releasing Mr. Chatchai.

Both General Sunthon and Mr. Anan have said the former premier would be freed after the provisional cabinet was named but how soon afterwards has never been made clear. The cabinet was announced Wednesday and was due to be formally sworn in later Thursday evening.

Sunthon Urges Commerce Chamber To Oversee Prices

BK0703075491 Bangkok Domestic Service in Thai 0530 GMT 7 Mar 91

[Text] At the Supreme Command Headquarters this morning, General Sunthon Khongsomphong, chairman of the National Peacekeeping Assembly [NPA], held consultations with the executive committee of the Thai Chamber of Commerce [TCC] and chairmen of all 18 regional chambers of commerce from all over the country.

On this occasion, the NPA chairman informed the TCC executive committee that the NPA is concerned about the livelihood of the people, particularly the poor or the farmers, who are the backbone of the country. Therefore, there should be measures to prevent them from being taken advantage of.

As the TCC is an important organization in a position to share the role of developing the country's economy, the NPA has therefore urged it to cooperate in helping to oversee the prices of goods.

Following the NPA announcement on reducing income taxes, which will result in increasing the people's take home income, the NPA therefore, seeks the TCC's cooperation in helping to oversee manufacturers and traders so that they do not increase the prices of goods and to sell them at fair prices.

Senior Policemen Assigned to Peacekeeping Council

BK0703061791 Bangkok BANGKOK POST in English 7 Mar 91 p 6

[Text] Eight senior policemen will be assigned to work for the National Peacekeeping Council [NPKC].

Police Commission Secretary Maitri Chawalitthamrong said yesterday the eight policemen will include one full police general, three police lieutenants-general and four police majors-general.

Police Director-General Sawat Amonwiwat chaired the Police Commission meeting to discuss the matter yesterday.

Sources said Assistant Police Chief Bunchu Wangkanon would be promoted as a full police general attached to the NPKC. Pol Lt-Gen Bunchu is an Army Class 5 officer.

The sources only spoke on condition that they not be identified.

They said the rank of police lieutenant-general would be given to Deputy Central Investigation Bureau Commissioner Suriya Moranon, an army Class 5 officer, or Deputy Metropolitan Police Commissioner Phaithun Suwanwichian, another army Class 5 officer, or Deputy metropolitan Police Commissioner Tanu Homhuan, who is chairing a police investigating committee on the assassination case, or Deputy Central Investigation Bureau Commissioner Phisak Woramit.

Meanwhile, they said the rank of police major-general would be given to four police colonels including Fourth Police Region Deputy Chief-of-Staff Bunrit Rattanapon and First Police Region Deputy Chief-of-Staff Prakat

Sataman and Deputy Crime Suppression Division Commander Sala Kaosamli, who is an army Class 5 officer.

Academics Support Policies To Help Poor

BK0703044891 Bangkok BANGKOK POST in English 7 Mar 91 pp 1, 3

[Excerpts] His Majesty the King yesterday approved a 35-member interim Cabinet featuring highly respected businessmen and technocrats.

The new line-up raises hopes in academic and business circles that it will help pave the country's path to a strong democracy and economy after the coup on February 23.

Businessmen, while acknowledging the calibre and integrity of the newly-appointed ministers, want the interim government to speed up revamping redundant and outdated laws to speed full economic growth.

Academics, echoing the view of businessmen, said they hope the new Government will not favour growth ahead of income distribution, and called for a balanced policy to help the poor because of the widening income gap.

They call for the interim administration to take the change to implement reforms to make the taxation system better for development.

Many people in the Cabinet know of the national problems, Thammasat University Rector Khairoek Phipatseritham said, calling on them to be courageous in solving them.

Under the Royal Command countersigned by Prime Minister Anan Panyarachun, eight active senior military men were appointed to the interim Cabinet, with Navy Chief Praphat Kritsanachan and Deputy Army Chief Itsaraphong Nunpakdi taking the helm of the Defence and Interior ministries respectively.

In addition to Prime Minister Anan 24 cabinet ministers are also first-time appointees. [passage omitted]

M[illegible]an is scheduled to fly with his Cabinet to Chiang Mai where the group will be granted an audience with His Majesty the King to be formally sowrn in.

Army Chief Suchinda Khraprayun assured a group of visiting ISOC [Internal Security Operations Command] lecturers the Cabinet formed yesterday is considered the best under the present situation and every person is widely known.

Except for the defence and interior portolios, the rest of the cabinet members are civilians, he said.

Immediately ater his appointment, Mr Sippanon said last night he will relinquish his position at the NPKC to work full time for the Government.

He said he will strive for a greater private role in industrial development and environment protection and will give priority to export promotion.

Mrs Saisuri said she will place emphasis on the promotion of the well-being of children, a job she is familiar with.

Justice Minister Praphat said he will try to enhance a speedy judicial process and will promote the independence of judicial institutions as promulgated in the interim Constitution.

Effects of Constitutional Changes Previewed

BK0703061991 Bangkok BANGKOK POST in English 7 Mar 91 p 6

[Text] Constitutional amendments will not help prevent vote- buying during elections, according to Solidarity Party Secretary- General Chaloemphan Sriwikon, who says the problem can be resolved only through political education, which will take time.

"We have to spend a lot of time educating people on the problem. I can't see any other measure to solve it. It will take time and one has to be patient because the problem cannot be resolved within a day," said the former deputy prime minister and former MP [member of Parliament] from Nakhon Ratchasima.

Asked for comment on a proposal that MPs should not hold administrative posts in the government, to avoid vote-buying during elections, Mr Chaloemphan said he does not think this will help and fears it will aggravate the situation.

If this separation of power is fully implemented, he is confident key financial supporters of political parties will easily be nominated unelected to cabinet posts.

"They will still have to spend a lot of money to gain party supporters and I can't see how this tackles vote-buying."

Mr Chaloemphan said if such a system is implemented he will quit politics. There would be no reason to run for election as an MP when those elected are not allowed to hold ministerial posts and cannot have a chance to solve the country's problems.

"We still don't know what the new constitution will look like. I hope that it is more democratic."

On the question of the new constitution possibly allowing government officials to hold political posts, Mr Chaloemphan said this would be a great setback for democracy.

He said the move by the National Peace-keeping Council [NPKC] to freeze assets of key politicians, including his party leader Narong Wongwan, has helped to discredit and tarnish his party's reputation.

"Khun Narong is very disheartened by it. He is a businessman and the assets frozen have a lot of impact on his business."

Mr Chaloemphan, commenting on corruption charges against former ministers, said his party was in the

Chatchai II government for only two months and no projects came out during that time.

"We are very concerned about corruption. We made opposition to it a condition before we joined the Chatchai government because the public strongly criticised the Chatchai I government for corruption. We joined the new coalition to show we want to give a new image to the government," he said.

Asked if he thought the NPKC's probe of key politicians is aimed at destroying all political parties, he refused to comment.

However, he said the New Aspiration Party of former army chief Gen Chawalit Yongchaiyut will greatly benefit from political developments.

Editorial on New Prime Minister, Government Role

BK0703071791 Bangkok THE NATION in English 7 Mar 91 p A8

[Editorial: "Best and Brightest]

[Text] Ideally there shouldn't be any military officers in the Cabinet of Prime Minister Anan Panyarachun. But under the present "special" circumstances the presence of eight top brass in three ministries is not unexpected.

Adm Praphat Kritsanachan, the navy commander and a deputy chairman of the National Peace-Keeping council, [NPKC] takes on immense responsibility in his new capacity as defence minister. He will be assisted by Gen Wimon Wongwanit, army assistant commander, and ACM [Air Chief Marshal] Phisit Salikhup, armed forces chief- of-staff.

It is not unusual for the military to send its own men to run the Defence Ministry. In the past, almost all defence ministers and their deputies came from the armed forces.

The ministry, however, has little actual control over the three military branches and the Supreme Command because all of them are under the direct control of their respective commanders.

As widely reported earlier, Army Deputy Commander Gen Itsaraphong Nunphakdi, who is also secretary-general to the NPKC, becomes interior minister. He is assisted by ACM Anan Kalintha, air force chief-of-staff, and Adm Wichet Karunyawanit, navy chief-of-staff.

The NPKC contends that it has to maintain close control over the Interior Ministry because it is one of the keys to national security and national administration. The ministry controls provincial administration outside Bangkok, and supervises the Police Department and the Labour Department, among others. It is also in charge of holding national elections.

Another argument the military has for controlling the Interior Ministry seems to be that the military is an "impartial" institution with no vested interest in the next general election, which must be held by April of next year at the latest. but this is an obviously weak argument, as the NPKC could have chosen some non-politician civilians for the interior portfolios.

In the Communications and Transport Ministry, Army Chief-of-Staff Gen Wirot Saengsanit and Air Force Assistant Commander ACM Suthep Theparak are deputy ministers. But contrary to earlier reports, Air Force Commander ACM Kaset Rotchananin, who is a NPKC deputy chairman, didn't get the ministerial post; that went to Nukun Prachuapmot, a former governor of the Bank of Thailand.

At first the NPKC also wanted complete control of the ministry, which handles several mammoth infrastructure projects that the NPKC said are directly related to national security. But ACM Kaset subsequently declined his nomination for the post in favour of Nakun.

The air force chief made the right decision. His deputy chairmanship in the NPKC already puts him in charge of supervising the ministry and three other economic ministries, and he couldn't possibly find enough time to handle the additional workload of a communications minister. Moreover he would also risk being accused of trying to cash in on this job—which is one of the most coveted among politicians. Incidentally, the three preceding communications ministers were on the list of former ministers facing investigation by the anti-corruption Sitthi Committee.

We underline the presence of these eight top officers not because we question their competency or motives. In fact these men are widely considered the "brains" of the armed forces, commanding a great deal of respect within their respective branches. But they will find themselves under constant comparison with the rest of the Anan Cabinet, which is clearly the best and the brightest Thai society has to offer.

Premier Anan has maintained the correct position of not making any distinction between those who are from the military and those who aren't. He reiterated in a press conference last evening that he considered his Cabinet as a "single team" working together for the common good.

All in all, we believe the Anan Cabinet is the best action-oriented administration Thailand has ever had. This is exactly what our country needs at this critical moment.

The Anan Cabinet deserves full support from everybody who wants to see Thailand return to the road of national development, economic prosperity and genuine democracy. This is a golden opportunity to prove, once and for all, that if given a real chance, Thai society has enough good people to run an honest, efficient government administration.

We trust that the Anan Cabinet will not let the people down.

Editorial Remarks on Meetings With U.S. Envoy

BK0703110591 Bangkok SIAM RAT in Thai 7 Mar 89 p 8

[Editorial: "Friendship From Foreign Countries"]

[Text] U.S. Ambassador to Thailand Daniel O'Donohue on Tuesday [5 March] called on Supreme Commander General Sunthon Khongsomphong, in his capacity as chairman of the National Peacekeeping Assembly [NPA], and also on Anan Panyarachun, the interim prime minister.

The U.S. government spokesman said afterwards that the ambassador asked for an early release of former Prime Minister General Chatchai Chunhawan. Ambassador O'Donohue himself told newsmen after the meetings that he hoped Thailand would soon return to an elected civilian government which would make it possible for the United States to resume assistance. The United States suspended aid to Thailand following the 23 February takeover due to a legal stipulation.

The U.S. ambassador's call on Thai leaders was a good sign for Thailand in several aspects. It also demonstrated that the interim prime minister appointed by the NPA is free to conduct affairs without manipulation from any party. The news about cabinet formation also showed that the persons approached by the prime minister to join his cabinet are well-known, skillful civilians who are held in high esteem by the general Thai public, and were not selected because of their closeness to the prime minister.

The prompt reaction by the United States to developments in Thailand, although it came after the congratulations from China, Burma, and Laos, was very significant because the United States is a Western country with the greatest importance to Thailand's trade and economy. The U.S. congratulations can be interpreted as recognition of the interim government, and this will certainly set a trend for other Western countries, especially those in the European Community, to also recognise this government.

Such an attitude from foreign countries reflects that the NPA has taken a right direction—through a speedy formation of an interim civilian government—with regard to Thailand's relations with other countries. Moreover, the NPA-appointed prime minister, Anan Panyarachun, has a personal record and personality which hints that, under him, Thailand will pursue a free economic policy which is in line with the system adopted by Western countries.

We hope for smooth administrative operations under the new government to pursue the economic developments in Thailand. And we hope that the good relations existing between Thailand and friendly countries will continue smoothly without any problem.

Tuna Exporters Urge U.S. Not To Discriminate

BK0703060991 Bangkok THE NATION in English 7 Mar 91 p B2

[By Aphisak Thanasetthakon]

[Text] The Thai Food Processors' Association has urged the U.S. not to take "discriminatory" action against Thai tuna exporters currently facing the threat of a U.S. ban on exports with "dolphin" raw materials.

The statement followed a U.S. Appeals Court ruling in favour of the U.S. Government's ban on tuna imports with raw materials from Mexico, found to have violated the Marine and Mammals Protection Act.

Mongkon Saraniyatham, president of the association, said Thai processors are hopeful that the U.S. will not direct its action against the "intermediary" party only but also the "buyer" countries which have the potential to re-export their purchases to the huge U.S. market.

Thailand is among the world's biggest processors of tuna and controls a sizeable share of the U.S. market. Exporters are worried that they will be targeted as the intermediary by a U.S. ban against tuna products with Mexican raw materials.

Mongkon said his association will consult the Foreign Trade Department when the U.S. sends an official notice to the Thai Government to seek cooperation in banning tuna products whose raw materials can be linked with the killing of dolphins.

He stressed that Thai companies which export canned and other tuna products to the U.S. have suspended tuna imports from Mexico and Panama, the sources where the dolphins are allegedly killed by tuna fishing.

The suspension can be verified by certificates or origins produced by Thai firms, which are heavily dependent on foreign tuna supplies for export processing.

Mongkon also contended that if tuna from Mexican or other questionable sources are used, the output is not shipped to the U.S. market.

However, the association is concerned that other buyer countries will become the dumping ground for tuna banned from the U.S. market if the intermediary party—Thai processors—are targeted in the ban.

Export Department To Open SRV Office

BK0603015791 Bangkok BANGKOK POST in English 6 Mar 91 p 13

[Text] The Department of Export Promotion [DEP] is to cancel plans to open a trade office in Guangzhou, China in favour of an office in Ho Chi Minh City to handle the expanding trade with Vietnam.

DEP Director-General Oranut Osathanon said yesterday the department would ask the Commerce Ministry soon to seek Cabinet permission for the move.

Mrs Oranut said the trade office would help facilitate trade and investment, and provide Thai exporters with the information needed to deal with Vietnam.

She said the Government needs to step up efforts to help the private sector if Thailand wants to assist in turning the Indochinese battlefield into a marketplace, a policy formulated by former Prime Minister Chatchai Chunhawan.

Mrs Oranut returned from Ho Chi Minh this week. She said Thai businessmen and investors were failing to develop business opportunities in Vietnam for a number of reasons, the most important being a lack of understanding of the Vietnamese administration.

This, she said, means the Government should play a role in helping the private sector deal with Hanoi.

The trade office will also demand trends in Vietnam and help promote Thai goods in the market.

The commercial counsellor office in Hanoi is currently negotiating with the Vietnamese Government on the relaxation of some regulations to boost trade between the two countries.

Mrs Oranut then said the department planned to join the Quang Trung Fair in Ho Chi Minh City in April and would also send a trade mission to the country from April 26-May 7.

Bank Revises Growth Rate to 8.5 Percent

BK0503024491 Bangkok BANGKOK POST in English 5 Mar 91 p 17

[Text] The Bank of Thailand is revising Thailand's economic forecast, with growth expected to reach 8.5 percent this year now the Gulf war is over, according to bank governor Wichit Suphinit.

Mr Wichit said he has already told his officials to revise the forecast and this should be finished within a week. The revision, together with short, medium and long-term monetary policy will then be given to the National Peace-keeping Council.

The previous economic forecast by the central bank was based on oil at US$28 a barrel. But now the war is over, the oil price has come down together with interest rates, prompting the revision.

Various aspects of the economy including the growth rate, inflation and balance of trade and payments will be covered. Mr Wichit said a rough estimate shows the economy this year should grow 8.5 percent based on a world oil price of US$21 a barrel.

Wichit said, however, that other institutions have been more optimistic in suggesting growth could reach 9 percent this year while inflation could be 5.5 percent to 6 percent. Mr Wichit said two major factors will decide if the economy overheats again.

The first is if the US is able to prop up its economic growth and, secondly, whether or not world international trade volume expands.

In any case, the Bank of Thailand will continue to be prudent in controlling inflation, the current account deficit and promoting the productive use of savings.

The bank will try to keep inflation below 7.5 percent while trying to reduce the current account deficit from 7.5 percent of GDP.

"We will not use substantial measures to reduce inflation and the current account deficit since that would in turn cause other problems. We feel our official reserves of US$15 billion are big enough to cushion this year's current account deficit.

"What we will do is control the money supply at an appropriate level."

Where monetary measures are concerned, Mr Wichit said four measures will be implemented short-term. They are:

—The second round of foreign exchange deregulation, which has already been published in the Royal Gazette, on April 1;

—Permission for financial institutions to expand their businesses;

—Development of the commercial paper market;

—And solving the problem of ailing financial firms under the April 4 lifeboat scheme.

In the medium and long term, the central bank will concentrate on the improvement of banking and finance to increase efficiency and flexibility and enable provision of services at a lower cost, Mr Wichit said.

The bank will allow market forces to determine interest rates and Wichit expects a further rate cut by banks soon.

He said the country's overall economic picture will continue to be bright as foreign investment will continue.

"Quite a number of investment projects approved last year will be implemented this year."

He said so far the NPA [National Peacekeeping Assembly] has not given any special instruction to the central bank on monetary policy.

Meanwhile, Bangkok Bank managing director Damrong Kritsanamara said the Government should do well under new Prime Minister Anan Panyarachun, who has lots of experience and a reputation in busines and politics.

If the Government is formed soon, foreign investors' confidence should be restored, he said. His bank and four other major banks recently discussed a possible second round of rate cuts.

"We agree in principle that another 0.25 to 0.5 percentage points will be cut on lending and deposit rates very soon."

He attributes the decision to the fact that rates abroad are much cheaper while the domestic money market has become more liquid lately.

Malaysian Minister on Bilateral, Regional Issues

BK0403030791 Bangkok THE NATION in English 4 Mar 91 p A8

[Excerpts of interview with outgoing Malaysian Foreign Minister Datuk Abu Hassan Omar during the fourth Thai-Malaysian Joint Commission (JC) in Phuket in February—by Kulachada Chaipiphat]

[Text] [THE NATION] As you have co-chaired three JC [Thai-Malaysian Joint Commission] meetings since its inception in 1987, could you assess the performance of this forum so far?

[Hassan Omar] The JC is a good vehicle to ensure that bilateral matters between the two countries can be discussed and resolved in a proper channel. Looking back at the past three meetings, there had been considerable and significant progress made. We not only reduced the number of issues that had been irritants in bilateral relations between Thailand and Malaysia, but more than that we have managed to increase the areas of cooperation for the benefit of our two countries and peoples.

The agreement to jointly use natural resources in the long- disputed overlapping sea territory so-called the joint development area (JDA) is one of the shining examples of our cooperative endeavours. I am confident that as we proceed into the 1990's and beyond, the Joint Commission meeting would continue to serve the mutual interests of Thailand and Malaysia.

[THE NATION] There are issues including the review of tax and tariff on certain issues concerning both countries that had passed through the three meetings without any progress being made. There have been claims that both sides lacked the political will to solve them. Do you agree with this?

[Hassan Omar] I agree that there are issues that are complicated and they need forward study before we can decide. It did take time. For example, the setting up of joint authority between Malaysia and Thailand. It took 10 years for this because of its complexity and it is the first of its kind ever attempted between the two countries. We were overly cautious because of this and didn't want to make any mistakes. Moreover we also have our national political interests to look into. So we don't want to jump into something quickly and face problems later on.

A case in point was an imposition of a 50 per cent customs duty on items brought back by Malaysians from foreign trips to discourage overseas travel and instead promote the local tourism industry. We couldn't just single out Thailand despite the fact that the majority of Malaysian travellers went there for their holidays as this would have soured Thai-Malay relations.

This rationale can be applied to the imposition of municipality tax on planes landing in Bangkok. The spirit of the tax was not only for planes flying under the Malaysian national carrier but also for other nations' carriers. If Thailand were to revoke this practice for Malaysian planes then in order to be fair, it has to apply the same policy to other carriers from other nations also.

These are some of the thorny issues but this doesn't mean we will allow them to come in the way of bilateral cooperation. When it comes to Thai-Malaysian relations, things which are difficult take time. Things which we can resolve quickly, we normally tackle them fast.

[THE NATION] Do you think there will be trade-off schemes to settle some of the pressing issues?

[Hassan Omar] They are issues that we can use for trade-offs. Different matters require different treatments. If we agree to sell petroleum to Thailand, and in turn agree to buy rice from Thailand, there is a contra account. That is a direct simple transaction and we can carry it out because it involves only two countries. But if it affects other countries and people, it is difficult for us to enter into such agreements. So one has to look to the subject first from a bilateral point of view. If there are no other countries involved then it's all right. If it affects other countries we cannot decide.

[THE NATION] How does Malaysia view the concept of the Northern Growth Triangle between Thailand, Indonesia and Malaysia?

[Hassan Omar] I think this is a good proposal and we can look at it in the light of development of the northern peninsular Malaysian states and Penang, northern Sumatra in Indonesia and southern Thailand. This I think will form the basis of what we are trying to do for the southern triangle which encompasses Malaysia, Indonesia and Singapore. Should there be further requests for us to look into the Northern Growth Triangle, then Malaysia is prepared to encourage our people (Malaysians) to invest overseas. We'd be more than happy to accept the invitation of our neighbours.

[THE NATION] Do you think that the concept of an economic sub-region will get the blessing of all ASEAN member states? How would this be viewed if the economic well-being of only participating nations are catered for? Will this programme be viewed as an alternative to the ASEAN Industrial Joint Venture which has been proven to be ineffective?

[Hassan Omar] All ASEAN countries are committed towards a goal of greater economic cooperation as enshrined in the 1967 Bangkok Declaration. Certainly there had been positive developments in that direction (economic sub-regions) with the increase in trade and investments among member nations.

I do admit much more needs to be done to make our economies more complimentary to one another. The emergence of the southern economic growth triangle involving Singapore, Batam island in Indonesia and the southern peninsular Malaysian state of Johore must be seen in the context of accelerating such cooperation. This should not be taken as a replacement or a substitute for wider ASEAN cooperation.

[THE NATION] Do you think tourism should be given top priority in the northern triangle project?

[Hassan Omar] Yes. Tourism has great potential in each of the countries (Malaysia, Thailand and Indonesia). This can be promoted into a good package for the three countries to develop. Each country has its own resource but they are pondering on how to make it into a marketable package.

A perfect example is on the potential of air transportation that could be developed in this northern triangle. For example if there is a joint air route between Medan, Phuket and Penang, people will be happy to travel to three countries under one package.

[THE NATION] The General Agreement on Tariffs and Trade (Gatt) Uruguay Round of talks has been "rescued" recently and more talks will follow. Do you think it is still relevant for ASEAN to discuss Malaysia's proposal on the setting up of an East Asia Economic Grouping?

[Hassan Omar] The proposal for an East Asia Economic Grouping was not made in direct response to the failure of the Uruguay Round in Brussels, though I admit the initial failure gave an added impetus for such a proposal.

However the grouping should be seen in the context of the emergence of economic blocs in Europe and North America. We are aware of the single European market coming into being next year. With the breaking-down of East and West European borders, one can expect the signle European market to encompass the whole of Europe including the Soviet Union in years to come. On the American front, the United States, Canada and Mexico have already committed themselves to free trade arrangements. The chances are that this trend will spillover to the rest of Latin America.

With these developments, there is an urgent need for countries outside these two blocs to re-examine how they should cooperate and protect their common interests. In this context, we are happy that all ASEAN countries are in general supportive of such a proposal (on East Asia Economic Grouping).

I say this because of the positive response given to our International Trade and Industry Minister Rafidah Aziz during her recent visits to ASEAN capitals. There is an agreement that both ASEAN senior officials and senior economic officials examine and propose a framework for concrete steps to be taken for consideration by the respective ASEAN economic ministers. The subsequent endorsement of the East Asia Economic Grouping is to be brought up at the ASEAN Summit being planned for next year.

[THE NATION] This year, Malaysia became the first ASEAN country to set up a Consulate in Ho Chi Minh city. Is this an indication of a shift in Malaysia's hardline policy towards the Cambodian problem which previously included economic sanctions against Vietnam?

[Hassan Omar] We along with other ASEAN countries support all the efforts taken towards finding a peaceful solution to the Cambodian problem. Malaysia also supports the efforts of the Permanent Five members of the UN Security Council and the Paris International Conference on Cambodia towards finding a comprehensive solution to the problems.

Malaysia is concerned that after more than a decade, the Indochina refugee problem still persists. We are disturbed that more and more of those who leave Vietnam are actually economic migrants rather than genuine refugees.

Third countries in Europe and America are becoming more reluctant to accept these Vietnamese people and as of such we (Malaysia) have been shouldering the burden of being a country of first settlement. There is an urgent need for us to address this issue with Vietnam and the setting up of a consulate in Ho Chi Minh city will help considerably to tackle the problem at its source.

Vietnam

Remains of Seven MIAs Delivered to U.S.

BK0703113691 Hanoi International Service in English 1000 GMT 7 Mar 91

[Text] Representatives of the Vietnamese Office in charge of MIA [Missing in Action] issue on Wednesday [6 March] handed over to the U.S. Joint Casualities Resolution Center seven sets of remains of American military personnel died in the Vietnam War. These remains had just been collected in the 13th joint search and Vietnam's unilateral search.

Since March 1972, Vietnam has on 34 occasions handed over to the U.S. side 452 sets of remains.

Spokesman Asks Thais to Treat Refugees Well

BK0703062491 Hong Kong AFP in English 0558 GMT 7 Mar 91

[Text] Hanoi, March 7 (AFP)—Hanoi has asked that Vietnamese refugees in Thailand receive "humanitarian" treatment following reports of two deaths in a riot in Phanat Nikhom refugee camp, a Foreign Ministry spokesman said Thursday.

"We hope Vietnamese refugees will receive humanitarian treatment in accordance with the comprehensive plan of action adopted during the Geneva conference on Indochinese refugees," the spokesman said.

"Thailand is one of the countries participating in the plan," adopted in June 1989 in a bid to resolve the problem of Vietnamese boat people, the spokesman added.

According to relief workers, two Vietnamese were killed and many more injured when the Thai military intervened Monday to quash a riot in the Phanat Nikhom camp, 130 kilometers (80 miles) south of Bangkok.

Thousands of refugees in the camp, which holds some 25,000 people, rioted to protest plans to transfer them to another site.

The revolt began when some 100 refugees refused to board trucks that came to move them to a camp at Sikiu, 200 kilometers (120 miles) north of Bangkok, opened last month to house people ineligible for resettlement abroad.

The leader of Thailand's military junta, which seized power in a recent coup, said Tuesday that Vietnamese "who transgress Thai law will be deported."

"We will do our best to send these people to another country as soon as possible," he said.

Trade, Payment Agreement Signed With Mongolia

BK0603154491 Hanoi VNA in English 1525 GMT 6 Mar 91

[Text] Hanoi VNA March 6—Agreements on trade and payments between Vietnam and Mongolia were signed here yesterday.

Signatories were Le Kim Lang, deputy commerce minister, and D. Dorgiotov, Mongolian ambassador to Vietnam [name and title as received].

The two sides agreed that from this year a new mechanism shall be applied to their bilateral cooperation and trade.

Dao Duy Tung Holds Talks With Lao Delegation

BK0603144591 Hanoi Domestic Service in Vietnamese 2300 GMT 5 Mar 91

[Text] At the invitation of the Communist Party of Vietnam [CPV] Central Committee Ideology and Culture Department, a delegation of the Commission for Propaganda and Training of the Lao People's Revolutionary Party [LPRP] Central Committee led by comrade Somlat Chanthamat, secretary of the LPRP Central Committee and chairman of the commission visited Vietnam from 26 February to 5 March.

After visiting Ho Chi Minh City, the Lao delegation had working sessions with a delegation of the CPV Central Committee Ideology and Culture Department led by comrade Tran Trong Tan, member of the CPV Central Committee and head of the department.

The two sides informed each other of the situation in their respective countries and discussed measures to expand cooperation in the ideological field.

The Lao delegation also visited and held working sessions with the Nguyen Ai Quoc Institute and the Ministry of Culture, Information, Sports and Tourism.

Comrade Dao Duy Tung, member of the CPV Central Committee Political Bureau and secretary of the party Central Committee cordially received and exchanged views with the Lao delegation on issues of mutual concern.

The Lao delegation left Vietnam on 5 March.

Vo Nguyen Giap Receives Atomic Energy Official

BK0603140891 Hanoi Domestic Service in Vietnamese 2300 GMT 5 Mar 91

[Text] Comrade Vo Nguyen Giap, vice chairman of the Council of Ministers on 5 March received Mr. Noramly Binh Muslin, deputy director general of the International Atomic Energy Agency who is in Vietnam for the 13th conference on regional cooperation on atomic energy in Asia and the Pacific. The meeting proceeded in an atmosphere of cordiality and openess.

The conference, sponsored by Vietnam, is being held in Ho Chi Minh City.

Do Muoi Signs Summit for Children Declaration

BK0503152691 Hanoi VNA in English 1451 GMT 5 Mar 91

[Text] Hanoi VNA March 5—Chairman of the Council of Ministers Do Muoi signed here today the declaration of the World Summit for Children.

Among those present at the signing ceremony were Nguyen Khanh, vice chairman of the Council of Ministers and president of the Committee for Children Protection and Care, David Smith, coordinator of the

United Nations in Vietnam, and M.T. Faroequi, representative of the UN Children's Fund in Vietnam.

Speaking on the occasion Chairman of The Council of Ministers Do Muoi said: "Imbued with President Ho Chi Minh's teaching: For the sake of a decade let us grow trees, for the sake of a country let us grow men" the Vietnamese state and people have always granted foremost priority to the policy of child care and protection. This same spirit breathes into the Constitution, and inspires efforts towards the early finalization of the law on children and the strengthening of the committee for child care and protection. That is also why Vietnam is the first country in Asia and the second in the world to have ratified the convention on the rights of the child.

Do Moui's Speech at Ceremony

BK0603111791 Hanoi Domestic Service in Vietnamese 1100 GMT 5 Mar 91

["Full Text" of Do Muoi's speech at the ceremony held in Hanoi on 5 March to sign the declaration of the world summit for children]

[Text] Dear Foreign Guests, Comrades, and Friends:

Imbued with President Ho Chi Minh's teachings "For the Sake of a Decade Let Us Grow Trees, For the Sake of a Country Let Us Grow Men", the state and Vietnamese people have always granted foremost priority to the policy of child care and protection.

That spirit is shown clearly in the Constitution, in the efforts to quickly form the laws on children, and in the work of strengthening the Committee for Child Care and Protection.

Therefore, Vietnam was the first nation in Asia and the second in the world to ratify the Convention on Children's Rights, which is the first international legal document comprehensively concerning children's rights, and it was based on the principle that children have the right to be cared for, protected, and specially assisted.

The ceremony to sign the Declaration of the World Summit for Children today indicates this Vietnamese tradition and the country's close cooperation with the common efforts of the international community in the cause of protecting and caring for children and displays Vietnam's commitment to strengthen efforts for the brighter future of children on our planet.

At present, our whole country is positively planning activities to implement the objectives set forth in the Convention and in the Declaration of the World Summit Conference for Children. The planned activities will be passed on by leaders of sections relating to children and to be implemented in the whole country.

On this occasion, on behalf of the SRV Government I thank all countries and international organizations, especially the United Nations Children's Fund (UNICEF) for actively helping Vietnam in the cause of child care and protection. I firmly believe that the regional and international cooperation to achieve the planned noble objectives of that cause will never stop developing for the future of mankind, for peace and friendship between nations.

UNDP Project Evaluation Agreement Signed

BK0603121891 Hanoi Domestic Service in Vietnamese 1430 GMT 5 Mar 91

[Text] A ceremony was held in Hanoi on 5 March to sign an agreement to implement the VE-89010 program which is aimed at enhancing facilities at the national center for evaluation of projects. The agreement was signed by Mr. David Smith, resident representative of the UN Development Program [UNDP] in Vietnam, Mr. David Rolar, Hanoi-based World Bank representative, and Mr. Nguyen Mai, deputy head of the State Commission for Cooperation and Investment.

The objectives of the project are to enhance the capability of state agencies in drafting, evaluating, and analyzing foreign investment projects in accordance with international standard and to train Vietnamese cadres responsibile for this field throughout the country.

Also attending the signing ceremony were Minister Vo Dong Giang, deputy head of the State Commission for Cooperation and Investment; representatives of UNDP, the World Bank, the Office of the Council of Ministers, and representatives of agencies concerned.

Germany-Vietnam Friendship Association Meets

BK0603075491 Hanoi VNA in English 0722 GMT 6 Mar 91

[Text] Hanoi VNA March 6—The Germany-Vietnam Friendship Association which was set up in March last year in the former German Democratic Republic (GDR), has met in Berlin to review its activities over the past year and plan its future work.

A report presented by the executive committee of the association said that last year various activities such as meetings, seminars, cultural exhibitions, and publication of bulletins in both German and Vietnamese languages were organized to promote the friendship between the two peoples.

In the coming period, the report pointed out, the association shall arrange more contacts and mettings between Germans and Vietnamese in Germany, help open more shops of Vietnamese commodities and provide information about Vietnam, etc.

A new six-member executive committee was elected with musician Kurt Schwaen as president.

New Cambodian Ambassador Presents Credentials

BK0603155391 Hanoi VNA in English 1626 GMT 6 Mar 91

[Text] Hanoi VNA March 6—The new Cambodian ambassador to Vietnam, Uch Borit, today presented his credentials to Vice President of the State Council Nguyen Huu Tho.

Chu Duy Kinh on Defense Teaching in Schools

BK0603132991 Hanoi Domestic Service in Vietnamese 2330 GMT 4 Mar 91

[Article by Lieutenant General Chu Duy Kinh, commander of the Capital Military Region, on the all-people national defense]

[Text] We assert that the maintenance of security and order in the capital is the central task of the armed forces in the capital military region [CMR]. As a result, proper and effective investment has been made in leadership and command tasks. Coordinating closely with the people's public security force and other forces, the CMR armed forces have actively formulated plans, organized forces, commanded and operationally controlled the various lines of combined and independent activities, promptly prevented all enemy plots of sabotage, quenched all manifestations of harassment by villains, and firmly maintained security and order in the capital.

In the past few years, by their deeds, cadres and combatants in the CMR have regained the people's confidence in troops, upholding the fine characteristics and traditions of Uncle Ho's soldiers. The party committee and the people's committee of Hanoi municipality and the people in suburban districts have always highly appraised the role of the CMR armed forces in settling all troubles in Ha Bang, Thach That, Chu Minh, and Pho Phuong of Ba Vi district. Cadres and combatants have clearly shown a better sense of stern discipline throughout the time of implementing Directive 135 of the Council of Ministers.

In the seventh stage alone of implementing this directive, the CMR armed forces mobilized 37,365 people to perform their duties and handled more than 7,000 cases of violation of military discipline and state law by military personnel and vehicles, without causing any negative manifestation in their line of duty. The maintenance of security and order in the capital has given rise to a mechanism of combined operations involving four different forces of which the most prominent operations are those of the militia and self-defense forces and the people's defense guards.

Besides 728 units of city ward people's defense guards and 1,049 units of village and hamlet people's defense guards which are organized and commanded by the public security force, there are 1,093 units of militia and self-defense forces in charge of security and order, involving more than ten thousand people who operate in three forms as full time, part-time, and stand by forces. These are the core assault forces of localities on the fronts of production, security and order, and natural disaster control.

In order to meet the requirements of civil defense and other activities of defense areas, with the guidance of the ministries of defense and public health, the CMR headquarters has coordinated with the Hanoi public health service to study and formulate the theory and model of organizing the activities of self-defense force units specializing in public health. This study is progressing well in a suburban district as experiences are derived from work. The study will step by step expand to the whole city to help the ministries provide guidance for building self-defense units specializing in public health countrywide.

In the past few years, the CMR armed forces have devoted a great deal of time to such important tasks as national defense education and general military training. These tasks have placed a heavy burden on the CMR. No sooner had the state promulgated the military obligation law than the former education minister and the joint general chief of staff entrusted the CMR headquarters and Hanoi education service with organizing pilot military training in general middle schools to draw upon experience for the benefit of the whole country.

The CMR headquarters staff initiated action to hold discussion and coordinate with the city education service in order to select the first four pilot schools, unify the training program, assign duties, and prepare training aids and facilities. Immediately after the first attempt in 1982-83 school year, more than 30 junior grade officers of the CMR went to serve as instructors in schools. After several training courses, it was realized that students' knowledge of general military subjects is necessary and useful. Military training has given students alertness, self-confidence, a better sense of discipline, and more awareness of citizen's responsibility for national defense.

However, military knowledge taught to students is still simplistic and rigorous, insufficiently attractive and of poor quality. The utmost limits to this task involve the quality of instructors and the mechanism and policy used to ensure the teaching of military subjects. These very limits have precluded the expansion of military training in general middle schools in Hanoi under the new method.

We now continue to coordinate with department 1 of the Education Ministry and the Militia and Self-Defense Department of the Joint General Staff to survey six general middle schools in order to make proposals concerning the mechanism, policy and contents of the training program which suit the present psychology and physiology of youths.

It should also be noted that although national defense education has been carried out over the past two years in some districts and precincts on the occasion of the all-people national defense festival, the results are still very low and the task has not become a deep-seated pattern. This is also one of the reasons leading to the requirement of definitively dealing with the problems of draft dodgers and deserters in Hanoi.

Since the causes of current limits in various fields of work have come from many directions, the CMR headquarters alone can not overcome them immediately but it must cooperate and coordinate uniformly with various sectors and echelons to solve the problems and progress together. However, the CMR Headquarters has already determined the important contents and focuses, and has adopted plans and measures to overcome problems in each stage.

This year, we resolve to consolidate and reorganize the self-defense forces in city wards which have been our weak point for several years now. In this connection, the CMR headquarters agencies must coordinate with the organization committee of the city administration to stabilize the function of city ward's military cadres and do away with the situation in which military cadres either assume concurrently several functions or are merely retired and physically weak cadres working on contracts.

To continually and thoroughly understand Directive 55 of the party Secretariat and Decree 29-HDBT on the vigorous shift of militia and self-defense forces' activities and on the security and order task of opposing disturbances, the CMR headquarters will serve as an advisor to the city's party committee and the administration, concentrate on consolidating and further improving the integrated quality of militia and self-defense forces—primarily the political quality—making them truly the core assault force in production, in the maintenance of security and order, and in the protection of the party and administration at grassroots level.

We will struggle and believe that 1991 will be the year in which villages, city wards, agencies, factories and schools will certainly each have a mobile platoon of militia and self-defense; population centers and production detachments and units will each have a squad of combat militia and self-defense; and districts and precincts will each have from two to three companies of militia and self-defense in addition to the militia and self-defense forces of the air defense and engineer armed services.

Through realities of construction, combat, and growth over the past 12 years, we have realized that in order to enable the CMR armed forces to continually surge forward and fulfill well their political duty, cadres and combatants of the CMR must constantly improve their abilities to perform their staff duties, motivate the masses well, stay close to and deep among primary units, be patient and not hasty, and initiate coordination with all sectors and services to discuss and unify all actions.

Public Security Forces Review Work, 1991 Tasks

BK0603121691 Hanoi Domestic Service in Vietnamese 1430 GMT 5 Mar 91

[Text] The Ministry of Interior held a 46th national conference of the People's Public Security Force [PPSF] in Hanoi recently to review and appraise work during the past year and discuss tasks for 1991.

Addressing the conference, Interior Minister Mai Chi Tho stressed that in 1991, the PPSF must strive to improve its tasks for better results and consistently enhance its capability, combat impetus, and professional skills. It must also strive to firmly grasp the situation, stay close to the people, and provide better services for the masses. He urged various echelons of the PPSF to consistently review their tasks and learn from their mistakes. They must study and firmly grasp the scientific socioeconomic management, strengthen their organization, and improve their operation while standing ready to cope with all circumstances to effectively ensure national security, maintain social order and safety, create favorable conditions for the convening of party organization congresses at various levels, and continue to implement the comprehensive renovation cause of the nation.

At this conference, the public security force of Ho Chi Minh City, Ha Nam Ninh Province, and three specialized agencies of the Ministry of Interior were awarded the rotation banners of the Council of Ministers. The public security force of Hanoi, Nghe Tinh Province, Vung Tau-Con Dao Special Zone, and other units from localities were awarded outstanding emulation banners of the Ministry of Interior.

NHAN DAN Marks 61st Party Anniversary

BK0603131591 Hanoi NHAN DAN in Vietnamese 2 Feb 91 pp 1, 4

[Editorial: "Our Party and the Renovation Process of Our Country"]

[Text] This year we mark our party's founding anniversary at a time when the process of renovation enters the fifth year and the entire party is prepared to hold its seventh congress.

Since its founding 61 years ago and during the 45 years of its leadership over the administration, including 30 years of war of resistance and 16 years of socialist construction throughout the country, our party has always imposed on itself the duty to struggle for national independence and freedom, as well as for the people's abundant and happy life.

From the (draft) documents to be submitted to the Seventh Party Congress—the platform, strategy, political report, and report on party development—we all can see clearly a comprehensive picture of the process of renovation, as well as the guidelines and key measures for national construction and development along the path of socialism in the immediate future, that is, the last decade of this 20th Century.

The path of renovation on which we are advancing is obviously one full of difficulties and complexities. It is the path on which our party, state, and people have to search for and explore things that are new to us. The achievements we have recorded during the past four years, although not significant, are highly important initial achievements. We have been able to achieve obvious progress in the three economic programs, allay the pace of inflation, and partly alleviate the seriousness of our socioeconomic crisis. The livelihood of the people, in general, is still rife with difficulties. In a considerable segment of society, however, it is more stable and better than in the past. The economy, which is currently in the process of undergoing changes in terms of quality, has begun to turn itself into a multicomponent commodity economy under a market-oriented mechanism and management of the socialist state. The political situation is stable, national defense has firmly been maintained, and security has basically been ensured. These achievements affirm the correctness of various policies of renovation that enable us to accumulate new knowledge and experience concerning the building of socialism in a way that is consistent with the characteristics in our country. This constitutes a highly important basis for us to continue moving forward.

Very soon, there will be months or years full of ordeals. What torments us most is that up to now our country still cannot extricate itself from the socioeconomic crisis, the process of renovation is still bound by limits in certain aspects, and many burning socioeconomic issues remain unsolved. Meanwhile, the world situation continues to undergo complex changes, external relations have been turned upside-down in some respects, and international aid has decreased. Along with enforcing the policy of economic blockade, the hostile forces still seek to foster the promotion of political pluralism and a multi-party system to abolish the party's leadership and sow division between the party and people with the aim of carrying out their scheme of "peaceful change" to replace the sociopolitical system in our country.

We are not afraid of coping with ordeals; we are just providing a broad forecast to be ready for any eventualities. Our potential for advancement is great. This is what we have achieved in the process of renovation over the past four years, that is the abundant source of unfolding strength of our country and people, and that is the practical ability to overcome weaknesses and shortcomings in leadership and management.

The process of renovation has actually brought about many valuable experiences for our party. First, it is necessary to firmly maintain independent and creative thinking in defining policies for renovation in a way that suits the characteristics and situation in our country and meets the interests and earnest aspirations of our people. Second, it is necessary to firmly adhere to socialist orientations in the process of renovation and combine perseverance in revolutionary principle and strategy with vivaciousness in tactics to effectively grasp new things. Third, it is necessary for the party to persistently and creatively apply Marxism-Leninism and the Ho Chi Minh concepts and firmly retain its leading role in society and the state to bring into play its macroeconomic management role. Fourth, it is necessary to carry out renovation comprehensively, uniformly, and actively with suitable steps, suitable forms, and suitable methods. Fifth, it is necessary to concentrate efforts on satisfactorily effecting economic reforms, while gradually changing the organizational and operational modes of the political system and constantly promoting the people's right to mastery and their creative ability. Sixth, it is necessary to foster socialist democracy, considering this the requirement and aspiration of the people and the basic substance and moving force of the revolution. Seventh, in the process of renovation, attention must be paid to providing a forecast on the situation to promptly detect and accurately solve newly-emerged problems on the principle of persistently enforcing the policy of renovation. It is also necessary to intensively review the actual situation and constantly improve theory concerning the way of building socialism in our country.

Marking the 61st founding anniversary of our party and preparing for the forthcoming Seventh Party Congress, let our entire party and people focus our struggle on the general target for the next five years, that is, to overcome all difficulties and ordeals, accelerate socioeconomic stabilization and development, reinforce political stability, and beat off negativism and social injustice. Our party pledges to the entire people that it will firmly grasp the most decisive factor to ensure success, that is, to revamp itself, enhance its leading role and militancy, renovate organizational and cadre-related work, and strenghten the close relations between itself and the people. Our party will do all it can to deserve being the political vanguard of our society and the reliable leader of our revolution.

Council of Ministers Innovation Contest Order

BK0603152091 Hanoi Domestic Service in Vietnamese 2300 GMT 5 Mar 91

[Text] The office of the Council of Ministers on 1 March issued a directive on preparations for the 1991 national technological innovations contest.

The Council of Ministers Chairman agreed that the State Science and Technology Commission—with coordination provided by the Confederation of Vietnamese Workers [CVW], the Ho Chi Minh Communist Youth Union [HCMCYU] Central Committee, and the Union of Vietnamese Science and Technology Associations [UVSTA]—is responsible for organizing the contest codenamed "STKT 1991" under the theme "new technological innovations for saving fuel and energy in production to increase productivity and improve quality of grain and food."

The State Science and Technology Commission will coordinate with the CVW, the HCMCYU Central Committee, the UVSTA, and other ministries and sectors concerned to formulate plans, programs, and regulations of the contest, establish organizing committee, and commend and disseminate useful innovations which will help improve production and the people's daily life.

General Visits Cryptography Technical College

BK0503121791 Hanoi Domestic Service in Vietnamese 1400 GMT 4 Mar 91

[From Vietnam People's Army Program]

[Text] On the afternoon of 28 February, Senior General Nguyen Quyet, secretary of the Party Central Committee and director of the General Political Department, paid a working visit to the Cryptography Technical College which belongs to the Central Cryptography Department.

Founded more than 15 years ago, the college has overcome a period of difficulties due to choosing the right direction to exist and develop. The college has developed into the present Cryptography Technical College.

In reality, the college is not under direct management of the Ministry of National Defense, although most of its personnel—from the management board to cadres, teachers, and students—are officers or soldiers in the Army.

On behalf of the cadres, teachers, and students, Lieutenant Colonel Dao Gia, who heads the college, reported to Senior General Nguyen Quyet on the college's general situation in recent times.

After hearing the report from the college head, the general visited some classrooms, viewing equipment used in teaching. He also listened to reports on teaching.

Speaking to representatives of the college's cadres, teachers, and students, Senior General Nguyen Quyet stressed three main subjects:

1. The college must concentrate on providing knowledge to the students.

2. The college must equip the students with the capacity to master cryptography.

3. The college must pay attention to the issue of human beings. More than anyone else, cryptographic cadres must be the scientific cadres with political knowledge and stable political stance.

Pham Van Dong Visits NHAN DAN Newspaper

BK0603045591 Hanoi Domestic Service in Vietnamese 1100 GMT 5 Mar 91

[Text] On the occasion of the 40th anniversary of the first issue of NHAN DAN newspaper (11 March 1951 to 11 March 1991), this morning, 5 March, Comrade Pham Van Dong, adviser to the party Central Committee, visited the newspaper.

The meeting between Comrade Pham Van Dong and many of the newspaper's cadres, journalists, and staff took place in a very warm and friendly atmosphere.

Talking to the people working on the party newspaper, Comrade Pham Van Dong enthusiastically praised the contribution of the newspaper in the last 40 years, reminded them to constantly improve the newspaper's quality, and stressed enhancing the worker's knowledge.

He said: With the international situation changing quickly and the present volume of information, the party newspaper's workers must try to educate themselves on many aspects to meet the demands of readers.

On this occasion I would like to give you a present. The present is these words from a famous saying of Lenin: "The communists are the knowledge, conscience, and pride of the times." Uncle Ho was a Vietnamese man achieving that.

Le Quang Dao Attends Gerontology Workshop

BK0603153891 Hanoi VNA in English 1522 GMT 6 Mar 91

[Text] Hanoi VNA March 6—An eight-day workshop on "social gerontology" was opened here yesterday under the joint sponsorship of the Vietnamese Institute for Healthcare of the Elderly and the World Health Organization (WHO).

The inaugural ceremony was attended by Le Quang Dao, member of the Communist Party Central Committee, vice president of the State Council and chairman of the National Assembly, and Professor Pham Song, minister of public health.

According to the latest census, Vietnam now has more than 4.6 million inhabitants aged 60 years and over, accounting for 7.19 percent of the population, including 2,432 people aged 100 years and over. A recent health survey shows that only four percent of the elderly in Vietnam have a good health, 66 percent are of mediocre health and the rest have a poor health.

This situation calls for better care for the old people on the part of the public health service, the social organizations and other branches concerned.